CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

THE CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY: UNAUDITED MID-YEAR REVIEW OF FINANCIAL AND PERFORMANCE RESULTS – 2017/2018 FINANCIAL YEAR

PURPOSE

To report to Council the City Of Ekurhuleni (CoE) Metropolitan Municipality's Unaudited **Mid-year** Financial and Performance Results of the 2017/2018 financial year as required in terms of Section 52(d) and Section 72 (sec 88 for entities) of the Municipal Finance Management Act and more detailed in the Budget and Reporting Regulations.

STRATEGIC OBJECTIVE

To promote good governance and report on the financial sustainability of the City.

LEGISLATIVE BACKGROUND

In terms of Section 72(1) of the MFMA, the accounting officer of a municipality must by **25 January of each year**-

(a) assess the performance of the municipality during the first half of the financial year, taking into account-

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.

Section 72(1) (b) requires the accounting officer to submit a report on such assessment to-

(i) the mayor of the municipality;

(ii) the National Treasury; and

(iii) the relevant provincial treasury.

Related to the above-mentioned reporting requirement, section 52(d) of the MFMA requires that specific financial particulars be reported on and in the format prescribed. That section reads as follows;

"The mayor of a municipality-

*52(d) must, **within 30 days of the end of each quarter**, submit a report to the **Council** on the implementation of the budget and the financial state of affairs of the municipality;"*

In compliance with section 52(d) relating to the quarterly reporting period ended 31 December 2017, the 30 days' limit expires on **30 January 2018.**

Further, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

"31.(1) The mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –

(a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and

(b) consistent with the monthly budget statement for September, December, March and June as applicable; and

(c) *Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council."*

Finally, section 54(1) of the MFMA stipulates that "***on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must-***

(a) consider the statement or report;

(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of the adjustment budget

(d) issue any appropriate instructions to the accounting officer to ensure-

(i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget.

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) in the case of section 72 report, submit the report to the council by **31 January of each year**.

Given the above legislative framework, this report presents both the mid-year performance assessment as well as the second quarter financial results.

The following Annexures are provided:

Annexure A Departmental Operating Budget Reports
Annexure B Detailed Capital Projects
Annexure C Detailed Performance Report (Pre-Determined Measureable Performance Targets)

EXECUTIVE SUMMARY

The Operating Budget Results can be summarised as follows:

Details	Annual Budget	Results for Quarter 2		Results for Year-to-Date	
		Budget	Actuals	Budget	Actuals
	R	R	R	R	R
Income	(33,919,443,736)	(8,551,653,325)	(8,431,638,654)	(18,271,031,420)	(17,922,078,404)
Expenditure	31,600,669,206	7,520,833,300	7,492,652,373	16,046,793,247	15,215,123,192
Surplus before Gains and Losses	**(2,318,774,530)**	**(1,030,820,025)**	**(938,986,281)**	**(2,224,238,173)**	**(2,706,955,212)**
Gains and Losses	15,000,000	3,750,000	656,756	7,500,000	803,885
SURPLUS AFTER GAINS AND LOSSES	**(2,303,774,530)**	**(1,027,070,025)**	**(938,329,526)**	**(2,216,738,173)**	**(2,706,151,327)**
Total charges / recoveries	**-**	(85,700,792)	(154,961,191)	(171,360,193)	55,320,370
SURPLUS AFTER CHARGES & RECOVERIES	**(2,303,774,530)**	**(941,369,233)**	**(1,093,290,716)**	**(2,388,098,366)**	**(2,650,830,958)**
Less Grant Income recognised to fund Capital Expenditure	**2,303,664,242**	**509,294,485**	**430,749,952**	**857,978,989**	**552,471,879**
SURPLUS AFTER CAPITAL GRANTS	**(110,288)**	**(432,074,748)**	**(662,540,764)**	**(1,530,119,377)**	**(2,098,359,079)**

Operating Results for the Second Quarter

The total income budgeted for the 2nd quarter ended 31st December 2017 is R8.551 billion. The actual income is R8.431 billion. The actual income for the quarterly budget is R120 million (or 1.40%) less than budgeted.

The total expenditure budgeted for the 2nd quarter ended 31st December 2017 is R7.520 billion. The actual expenditure is R7.492 billion which is R28 million (0.37%) less than budgeted.

In terms of mSCOA requirements the expenditure for gains and losses must be separated from the operating expenditure and an amount of R15 million is budgeted. Gains and losses relates to sale of Property, Plant and Equipment. The major portion

of actual expenditure for gains and losses will only be reported and reflected at the end of the 2017/18 financial year.

The mSCOA Framework requires that interdepartmental recoveries and charges be classified separately. These secondary/indirect non-cash items include charges/recoveries of electricity, waste management, water & sanitation also referred to as trading services. It also include the support services charged by Finance, Information Communication and Technology and Human Resources Management to the services departments. The purpose of these classification is to ensure the cost completeness of the services departments with particular focus on tariff determination. The nett amount of the charges and recoveries should be **NIL** effect from the City's perspective as these are within the departments. Finance is in the process correcting the charges and recoveries to ensure the City comply with the mSCOA requirements in this regard.

The surplus after recoveries & charges is budgeted at R941 million and the actual surplus amounted to R1.093 billion for the 2nd Quarter. These amounts includes the capital grant income recognised to fund Capital Expenditure. The table above depicts the budgeted surplus after the capital grants as R432 million and the actual surplus as R662 million for the 2nd Quarter ended 31st December 2017.

Operating Results for the Year-to-Date (Mid-Year)

The total income budgeted for the 2017/18 Mid-Year is R18.271 billion. The actual income was R17.922 billion. The actual income for the Mid-Year is R349 million (1.9%) less than budgeted. The total expenditure budgeted for the 2017/18 Mid-Year is R16.046 billion. The actual expenditure was R15.215 billion which is R831 million (5.46%) less than budgeted. The surplus after recoveries & charges budgeted for the 2017/18 Mid-Year is R2.388 billion and the actual surplus amounted to R2.650 billion.

The surplus after the capital grants budgeted for the 2017/18 Mid-Year is R1.530 billion and the actual surplus amounted to R2.098 billion.

The deviation of the income and expenditure in the various categories is discussed in detail later in the report.

Capital Expenditure

The actual Capital Expenditure 2017/18 Mid-Year is R1.530 billion, which represents a spending of 23.92% of the total capital budget of R6.399 billion. It is important to note that the outstanding commitments at the end of December 2017 amounted to R307 million. The actual expenditure plus commitments for the Mid-Year amounted to R1.838 billion, which represents 28.73% of the Capital Budget.

The comparative results with the previous years as well as the capital spending per department is discussed later in the report.

Collection Rate

The Collection Rate for the **2nd quarter** ended 31 December 2017 is 93.34**%** which is more than the target of 93% for the second quarter. In the previous financial year, the collection rate for the same quarter was 91.96%.

The Collection Rate for the **1st quarter** was 90.85% and therefore has improved in the 2nd quarter

Cash and Investment Position

With regard to the **Cash and Investment Position** a cash target of 45-90 days has been set in the SDBIP for the 2017/18FY. The actual performance as at end of 31 December 2017 is **40 days.** The detailed calculation of the number of operating cash on hand is reflected later in this report.

Grant Expenditure

The **unspent grants** at the beginning of the 2017/18FY amounted to R113m. The unspent grants at the beginning of the 2016/17 financial year (previous year) was R433m, which is an indication that there was an improvement of spending grants during 2016/17 financial year. It implies that Council spent R320m more of grant funding than what was received.

From the unspent grants of R113m, a total of R100m was not approved for retention by the municipality. To date R69m was surrendered to National Treasury and R205, 904 to Provincial Treasury. A further R 31m is still to be surrendered on receipt of the banking details from Provincial Treasury.

The receipts for the Year-to-Date period at the end of the 2nd quarter amounted to R 5,164 billion (including fuel levy). The expenditure as at the end of the 2nd quarter is R (4,256 billion which represents 82% spending. The total unspent funds (including 2016/17 unspent grants) at the end of December 2017 is R 952m
Full details are supplied later in the report.

DISCUSSION

Financial Performance of Operating Budget

Background information

The revenue performance for the 2nd Quarter and the mid-year is reflected in the table below. The following information is provided:

- Total Budget for the 2017/18 financial year;
- Budget for the 2nd Quarter ended 31 December 2017;
- Actual results for 2nd Quarter ended 31 December 2017;
- Percentage variance between budget and actuals for 2nd Quarter;
- Budget for the year to date ended 31 December 2017;
- Actual results for the year to date ended 31 December 2017; and
- Percentage variance between budget and actuals for the year to date.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
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DESCRIPTION	TOTAL BUDGET 2017/18	QUARTERLY RESULTS Mid-Year QUARTER 2 Budget	Actual	% of B	YEAR-TO-DATE RESULTS Budget	Actual	% of B
	R	R	R	%	R	R	%
CoE TOTAL							
INCOME							
NON - EXCHANGE REVENUE							
Property Rates	(5,066,264,153)	(1,266,566,038)	(1,247,861,249)	98.5%	(2,533,132,075)	(2,672,780,295)	105.5%
Fines, Penalties and Forfeits	(164,256,800)	(41,084,335)	(33,896,831)	82.5%	(82,126,688)	(69,015,538)	84.0%
Licenses and Permits	(319,873,318)	(79,968,053)	(68,965,191)	86.2%	(159,936,178)	(145,794,553)	91.2%
Transfers and Subsidies	**(7,709,734,722)**	**(2,279,662,217)**	**(2,204,755,778)**	**96.7%**	**(4,583,401,706)**	**(4,256,593,743)**	**92.9%**
- Operational: Monetary	(5,406,070,480)	(1,770,367,732)	(1,774,005,826)	100.2%	(3,725,422,717)	(3,704,121,864)	99.4%
- Capital: Monetary	(2,303,664,242)	(509,294,485)	(430,749,952)	84.6%	(857,978,989)	(552,471,879)	64.4%
SUB TOTAL: NON - EXCHANGE REVENUE	**(13,260,128,993)**	**(3,667,280,643)**	**(3,555,479,049)**	**97.0%**	**(7,358,596,647)**	**(7,144,184,129)**	**97.1%**
EXCHANGE REVENUE							
Service Charges	(19,324,685,928)	(4,557,908,070)	(4,619,151,232)	101.3%	(10,251,695,364)	(10,342,328,076)	100.9%
Interest, Dividends and Rent on Land	(965,222,077)	(239,477,684)	(158,844,607)	66.3%	(487,552,477)	(275,665,501)	56.5%
Operational Revenue	(22,875,070)	(5,718,768)	(6,542,716)	114.4%	(11,437,536)	(11,594,680)	101.4%
Rental from Fixed Assets	(80,108,131)	(20,381,101)	(18,727,320)	91.9%	(39,983,528)	(33,098,990)	82.8%
Sales of Goods and Rendering of Services	(266,423,537)	(60,887,060)	(72,893,730)	119.7%	(121,765,868)	(115,207,028)	94.6%
SUB TOTAL: EXCHANGE REVENUE	**(20,659,314,743)**	**(4,884,372,682)**	**(4,876,159,606)**	**99.8%**	**(10,912,434,773)**	**(10,777,894,274)**	**98.8%**
TOTAL INCOME	**(33,919,443,736)**	**(8,551,653,325)**	**(8,431,638,654)**	**98.6%**	**(18,271,031,420)**	**(17,922,078,404)**	**98.1%**

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DESCRIPTION	TOTAL BUDGET 2017/18	QUARTERLY RESULTS Mid-Year QUARTER 2 Budget	Actual	% of B	YEAR-TO-DATE RESULTS Budget	Actual	% of B
	R	R	R	%	R	R	%
CoE TOTAL							
EXPENDITURE							
Employee Related Costs	**7,686,467,142**	**1,951,975,341**	**1,873,723,040**	**96.0%**	**3,958,072,666**	**3,751,411,657**	**94.8%**
Remuneration of Councilors	**130,315,880**	**30,281,073**	**30,531,905**	**100.8%**	**65,157,966**	**60,957,973**	**93.6%**
Contracted Services	**3,875,309,103**	**1,006,951,265**	**1,083,255,660**	**107.6%**	**1,940,653,581**	**1,653,290,695**	**85.2%**
Operational Cost	1,013,750,981	252,973,810	169,191,457	66.9%	510,637,155	358,208,053	70.1%
Inventory	1,869,804,030	448,066,243	444,451,662	99.2%	862,601,230	662,047,547	76.8%
Bulk Purchases	12,221,455,721	2,649,924,752	2,673,704,962	100.9%	6,358,036,567	6,373,627,494	100.2%
Interest Dividends and Rent on Land	738,209,170	188,929,690	121,874,431	64.5%	368,361,345	233,540,688	63.4%
Operating Leases	38,644,842	10,053,036	8,179,920	81.4%	19,916,556	16,684,364	83.8%
Contribution for Bad Debt	1,540,949,282	385,237,320	385,237,323	100.0%	770,474,641	770,474,646	100.0%
Transfers and Subsidies	**483,963,894**	**95,990,976**	**199,450,444**	**207.8%**	**191,981,951**	**328,764,272**	**171.2%**
Depreciation and Amortisation	2,001,799,161	500,449,794	503,051,568	100.5%	1,000,899,587	1,006,115,804	100.5%
TOTAL EXPENDITURE	**31,600,669,206**	**7,520,833,300**	**7,492,652,373**	**99.6%**	**16,046,793,247**	**15,215,123,192**	**94.8%**
DEFICIT / (SURPLUS)	**(2,318,774,530)**	**(1,030,820,025)**	**(938,986,281)**	**91.1%**	**(2,224,238,173)**	**(2,706,955,212)**	**121.7%**
Disp of fixed and intangible assets	15,000,000	3,750,000	-	0.0%	7,500,000	-	0.0%
Inventory	-	-	656,756	#DIV/0!	-	803,885	#DIV/0!
TOTAL GAINS AND LOSSES	**15,000,000**	**3,750,000**	**656,756**	**17.5%**	**7,500,000**	**803,885**	**10.7%**
DEFICIT / (SURPLUS) AFTER GAINS AND LOSSES	**(2,303,774,530)**	**(1,027,070,025)**	**(938,329,526)**	**91.4%**	**(2,216,738,173)**	**(2,706,151,327)**	**122.1%**
Total recoveries	**(3,129,817,155)**	**(676,289,948)**	**(1,335,104,889)**	**7**	**(1,777,237,302)**	**(1,844,696,288)**	103.8%
Total charges	**3,129,817,155**	**761,990,740**	**1,180,143,698**	**5**	**1,605,877,109**	**1,900,016,658**	118.3%
TOTAL CHARGES / RECOVERIES	**-**	**85,700,792**	**(154,961,191)**	**-180.8%**	**(171,360,193)**	**55,320,370**	**-32.3%**
DEFICIT / (SURPLUS) AFTER RECOV & CHARGES	**(2,303,774,530)**	**(941,369,233)**	**(1,093,290,716)**	**116.1%**	**(2,388,098,366)**	**(2,650,830,958)**	**111.0%**
Less Grant Income recognised to fund Capital Expenditure	**2,303,664,242**	**509,294,485**	**430,749,952**	**84.6%**	**857,978,989**	**552,471,879**	**64.4%**
SURPLUS / (DEFICIT) AFTER CAPITAL GRANTS	**(110,288)**	**(432,074,748)**	**(662,540,764)**	**153.3%**	**(1,530,119,377)**	**(2,098,359,079)**	**137.1%**

Analysis of Performance

INCOME

The total income budgeted for the 2nd quarter ending 31st December 2017 is R8.551 billion. The actual income is R8.431 billion. The Actual Income for the quarterly budget is R120 million (or 1.40%) less than budgeted.

The total income budgeted for the 2017/18 Mid-Year is R18.271 billion. The actual income is R17.922 billion. The Actual Income for the Mid-Year is R349 million (1.9%) less than budgeted.

The discussions of the significant deviations on the various revenue sources are as follows:

NON - EXCHANGE REVENUE

The total Non-Exchange Revenue for the 2nd Quarter is budgeted at R3.667 billion and the actual revenue amounted to R3.555 billion – a deviation of 3.2% less than the budget.

The total Non-Exchange Revenue for the 2017/18 Mid-Year was budgeted at R7.358 billion and the actual revenue amounted to R7.144 billion – a deviation of 2.9% less than the budget.

a. The actual revenue from **assessment rates** for the 2017/18 Mid-Year is R2.672 billion, which is R139 million (or 5.5%) more than the budgeted income of R2.533 billion. The positive deviation is as a result of the current implementation of the new general valuation roll.

b. The budget of **Fines, Penalties and Forfeits** for the 2017/18 Mid-Year is R82.1 million. The actual revenue amounted to R69 million, thus a deviation of 16% less than budgeted. This category includes Traffic Fines, which was budgeted at R77.1 million and the actual fines collected amounted to R64.3 million. Traffic fines collected is 19.9% less than budgeted. The Metro Police Department indicated that the income from traffic fines was overstated in the original budget thus this apparent under-performance. It is expected that this income will be adjusted downwards in the 2017/18 adjustment budget.

c. **Licenses and Permits** reflects income from the Licensing Offices. The biggest income derives from motor vehicle license fees. The budgeted income for Licenses and Permits for the 2017/18 Mid-Year is R159 million, whilst the actual income amounted to R145 million (or 9.7%) less than the budgeted.

   The income from Licences for the same period in the previous year amounted to R139 million. Thus, the income only increased with 4.3% from the previous year. This income source in the past proved to be a reliable income source. Such a reduction of almost 10% less than budgeted should be a concern to Council.

d. **Transfers and Subsidies**

i. Operational Monetary: This income relates to the income mainly from Urban Settlement Development Grant (USDG) to fund the chemical toilets and ERWAT - Wastewater Purification (by Water and Sanitation Department), as well as Human Settlements Development Grant (HSDG) to fund top structures and Public Transport Network Grant (PTNG) for RPTN operating activities. The lower spending relates to the ERWAT - Wastewater Purification, top structures and RPTN projects of which some of the projects will fluctuate in the 3rd and 4th quarter while others will be addressed in the 2017/18 Adjustment Budget.

ii. Capital Monetary: The actual income realised for the Capital Monetary Transfer and Subsidies at the end of the Mid-Year is R305m less than budgeted. This is directly as a result of the low spending of capital. It represents a deviation of 36% less than the budgeted income. Management is urged to continue with the measures put in place to monitor and accelerate the spending of these capital grants.

EXCHANGE REVENUE

Exchange Revenue relates to all income received in exchange for goods and services rendered. It mostly relates to the **Services Charges** generated from trading services. The requirement of mSCOA is that the cost of rendering free basic services be netted of against the services charges of the respective departments. Therefore, the services charges reflected in the tables below is the nett amount after taking into account the cost of free basic services.

Department	TOTAL BUDGET	QUARTERLY RESULTS Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
		Budget	Actual	% of B	Budget	Actual	% of B
Finance	171,225,627	43,797,392	68,004,523	155.3%	86,603,798	86,009,334	99.3%
Energy Department	(12,838,771,083)	(3,019,641,415)	(3,117,975,412)	103.3%	(7,044,715,868)	(7,335,451,501)	104.1%
Waste Management	(1,278,109,484)	(237,306,300)	(302,790,850)	127.6%	(604,067,801)	(612,260,423)	101.4%
Water & Sanitation	(5,379,030,988)	(1,344,757,747)	(1,266,389,494)	94.2%	(2,689,515,493)	(2,480,625,485)	92.2%
TOTAL	**(19,324,685,928)**	**(4,557,908,070)**	**(4,619,151,232)**	**101.3%**	**(10,251,695,364)**	**(10,342,328,076)**	**100.9%**

It should be noted that the implementation of the mSCOA Framework did not affect the billing system of Council and residents still do receive the grants and concessions as per Council policies.

Finance Income

This service charge relates to the income from the issuing of warning notices, penalties and electricity disconnection. The income from warning notices only for the Mid-Year is budgeted at R48 million, whilst the actual income was R57 million, which is 18.75% more than budgeted. The income budgeted for disconnection fees for the Mid-Year is R18 million whilst the actual income is R10 million. The reduction in disconnection income might have an indirect impact on the collection rate on outstanding debtors. The

Electricity Income

The Income from electricity services is showing a positive deviation of 4.1% for the 2017/18 Mid-Year as depicted in the table below:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS Mid-Year QUARTER 2 Budget	Actual	% of B	YEAR-TO-DATE RESULTS Budget	Actual	% of B
TOTAL SERVICES CHARGES	**(13,197,470,326)**	**(3,117,087,142)**	**(3,208,591,114)**	**103%**	**(7,208,523,656)**	**(7,504,842,185)**	**104%**
COST OF FREE BASIC SERVICES	**358,699,243**	**97,445,727**	**90,615,703**	**93%**	**163,807,789**	**169,390,684**	**103%**
ELEC SALES: DOM HIGH HOME POWER 3 (CS	222,212,244	55,553,061	63,022,889	113%	111,106,122	122,806,839	111%
ESKOM SUPPLIED AREAS	136,486,999	41,892,666	27,592,814	66%	52,701,667	46,583,845	88%
NET SERVICES CHARGES	**(12,838,771,083)**	**(3,019,641,415)**	**(3,117,975,412)**	**103%**	**(7,044,715,868)**	**(7,335,451,501)**	**104%**

There are revenue projects ranging from large meter replacements to comply with national standards and distribution license conditions, to replacing Government owned property metering (and correcting the tariffs charged), to measuring and accounting for CoE own use.

Meter errors are dealt with effectively and timeously, whilst a reduction in interim readings is one of the projects that will receive special attention in the near future. A much higher level of attention is also planned for meters that are suspected to be interfered with.

The results of projects already commissioned are showing steady results, with some of these projects already increasing CoOE efficiencies, hence the positive deviation in the Mid-Year results.

Waste Management

The actual gross income (total service charges before deducting the cost of free basic services) from Waste Management for the Mid-Year is R10 million less than the budgeted income of R667 million. The deviation of the detailed income is as follows:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
		Budget	Actual	% of B	Budget	Actual	% of B
REFUSE REMOVAL: DISPOSAL SITES	(61,343,931)	(11,229,338)	(12,486,874)	111.2%	(28,410,737)	(11,110,238)	39.1%
REFUSE REMOVAL: REHABILITATION LEVY	(15,978,032)	(2,643,214)	(7,626,929)	288.5%	(5,726,911)	(9,003,565)	157.2%
REFUSE REMOVAL: RESIDENTIAL	(937,463,356)	(157,699,172)	(229,023,072)	145.2%	(438,065,012)	(458,648,309)	104.7%
WASTE MANGEMENT: REFUSE REMOVAL (REB)	(127,369,120)	(15,009,106)	44,747,890	-298.1%	(98,188,858)	(55,595,961)	56.6%
REFUSE REMOVAL: CONTAINERS	(61,750,452)	(14,590,375)	(11,433,320)	78.4%	(31,232,789)	(25,641,381)	82.1%
REFUSE REMOVAL: SPECIAL	(305,851)	(93,757)	(58,331)	62.2%	(162,738)	(113,447)	69.7%
REFUSE REMOVAL: ENVIRONMENTAL LEVY	(23,370,245)	(6,028,691)	(1,307,082)	21.7%	(11,563,085)	(6,850,147)	59.2%
REFUSE REMOVAL: LITTER PICKING	(35,195,186)	(12,691,498)	(20,488,030)	161.4%	(9,812,189)	(15,396,072)	156.9%
REFUSE REMOVAL: INDUSTR/BUSINESS/MINING	(157,702,431)	(56,685,058)	(100,889,685)	178.0%	(44,332,316)	(74,438,683)	167.9%
TOTAL SERVICES CHARGES	**(1,420,478,604)**	**(276,670,209)**	**(338,565,434)**	**122.4%**	**(667,494,635)**	**(656,797,804)**	**98.4%**
COST OF FREE BASIC SERVICES	**142,369,120**	**39,363,909**	**35,774,583**	**90.9%**	**63,426,834**	**44,537,381**	**70.2%**
WASTE MANGEMENT: REFUSE REMOVAL INFORMAL SETTLEMENTS	15,000,000	4,500,000	-	0.0%	6,000,000	-	0.0%
WASTE MANGEMENT: REFUSE REMOVAL (CST)	127,369,120	34,863,909	35,774,583	102.6%	57,426,834	44,537,381	77.6%
NET SERVICES CHARGES	**(1,278,109,484)**	**(237,306,300)**	**(302,790,850)**	**127.6%**	**(604,067,801)**	**(612,260,423)**	**101.4%**

The main contributing income source that reflects negative results is the income from disposal sites.

Water and Sanitation

The actual income for water and sanitation service is 7.7% (or 208 million) less than budgeted for the 2017/18 Mid-Year. The following table reflects the detailed income sources:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
		Budget	Actual	% of B	Budget	Actual	% of B
SANITATION INCOME							
SANITATION: INDUSTRIAL EFFLUENT	(161,935,848)	(40,483,962)	(46,239,050)	114.2%	(80,967,924)	(84,865,417)	104.8%
SANITATION: RESIDENTIAL	(743,763,572)	(185,940,894)	(184,220,415)	99.1%	(371,881,788)	(355,219,756)	95.5%
SANITATION 6 KL ((REB)	(399,331,998)	(95,681,256)	(90,256,562)	94.3%	(207,969,489)	(199,133,106)	95.8%
SANITATION: GREASE TRAPS	(5,800,650)	(2,091,796)	(3,016,442)	144.2%	(1,617,059)	(2,151,652)	133.1%
SANITATION: BASIC CHARGES	(963,375)	(240,843)	(214,930)	89.2%	(481,686)	(406,308)	84.4%
SANITATION: CONNECTIONS	(561,901)	(140,475)	(117,228)	83.5%	(280,950)	(259,873)	92.5%
SANITATION: SUNDRY CHARGES	(416,124)	(104,031)	(304,365)	292.6%	(208,062)	(527,300)	253.4%
SANITATION: VACUUM TANK	(99,688)	(35,102)	(312,078)	889.1%	(29,484)	(208,147)	706.0%
SANITATION: INDUSTRIAL/BUSINESS/MINING	(331,659,594)	(82,914,900)	(70,441,314)	85.0%	(165,829,800)	(141,731,026)	85.5%
SANITATION 3 KL (REB)	(36,259,991)	(13,206,562)	(20,487,246)	155.1%	(9,846,867)	(17,824,211)	181.0%
WASTE WATER MANG: AVAILABILITY CHARGES	(98,399,031)	(24,599,757)	(11,286,678)	45.9%	(49,199,514)	(33,541,392)	68.2%
TOTAL SERVICES CHARGES	**(1,779,191,772)**	**(445,439,578)**	**(426,896,307)**	**95.8%**	**(888,312,623)**	**(835,868,190)**	**94.1%**
COST OF FREE BASIC SERVICES	**435,591,989**	**109,539,629**	**112,667,069**	**102.9%**	**216,512,725**	**216,463,121**	**100.0%**
SANITATION 6 KL (CST)	399,331,998	98,572,864	97,505,893	98.9%	202,186,264	198,638,909	98.2%
SANITATION 3 KL (CST)	36,259,991	10,966,765	15,161,176	138.2%	14,326,461	17,824,211	124.4%
NET SANITATION INCOME	**(1,343,599,783)**	**(335,899,949)**	**(314,229,238)**	**93.5%**	**(671,799,897)**	**(619,405,069)**	**92.2%**
WATER INCOME							
WATER: CONNECTIONS	(19,856,428.00)	(4,964,106)	(4,374,501)	88.1%	(9,928,212)	(8,359,721)	84.2%
WATER: SUNDRY CHARGES	(324,749.00)	(81,186)	(174,269)	214.7%	(162,372)	(232,865)	143.4%
WATER: RESIDENTIAL	(2,420,497,860.00)	(605,124,465.00)	(605,730,551.84)	100.1%	(1,210,248,930.00)	(1,159,364,876.65)	95.8%
WATER: INDUSTRIAL/BUSINESS/MINING	(1,465,474,001.00)	(366,368,499)	(331,032,716)	90.4%	(732,736,998)	(652,067,034)	89.0%
WATER: AVAILABILITY CHARGES	(150,150,609.00)	(37,537,653)	(13,822,278)	36.8%	(75,075,306)	(48,386,881)	64.5%
WATER: RESIDENTIAL 6 KL (REB)	(537,248,362.00)	(128,581,034)	(120,287,763)	93.6%	(280,086,291)	(274,843,348)	98.1%
WATER: RESIDENTIAL 3 KL (REB)	(50,166,328.00)	(18,272,638)	(30,140,347)	164.9%	(13,621,053)	(26,489,868)	194.5%
TOTAL SERVICES CHARGES	**(4,643,718,337)**	**(1,160,929,581)**	**(1,105,562,426)**	**95.2%**	**(2,321,859,162)**	**(2,169,744,595)**	**93.4%**
COST OF FREE BASIC SERVICES	**608,287,132**	**152,071,783**	**153,402,170**	**100.9%**	**304,143,566**	**308,524,179**	**101.4%**
WATER: RESIDENTIAL 3 KL (REB)	50,166,328	15,171,581	22,839,389	150.5%	19,823,166	26,489,868	133.6%
WATER: RESIDENTIAL 6 KL (REB)	537,248,362	130,493,342	123,945,668	95.0%	276,261,678	274,843,349	99.5%
WATER TANKERS	10,436,221	3,275,456	5,967,526	182.2%	3,885,310	6,529,921	168.1%
WATER TANKERS	10,436,221	3,131,404	649,587	20.7%	4,173,412	661,041	15.8%
NET WATER INCOME	**(4,035,431,205)**	**(1,008,857,798)**	**(952,160,256)**	**94.4%**	**(2,017,715,596)**	**(1,861,220,416)**	**92.2%**
TOTAL WATER AND SANITATION	**(5,379,030,988)**	**(1,344,757,747)**	**(1,266,389,494)**	**94.2%**	**(2,689,515,494)**	**(2,480,625,485)**	**92.2%**

The negative deviation on water and sanitation revenue is a result of water and sanitation income from businesses. The deviation for both services exceeds the 10% for the 2017/18 Mid-Year.

Other Exchange Revenue Income

This category of income contains mainly the interest charged on debtor accounts and the interest earned on the bank account. The Interest, Dividends and Rent on Land income for 2017/18 Mid-Year is 43.5% less than budgeted.

The details of the various income sources are as follows:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS Mid-Year QUARTER 2 Budget	Actual	% of B	YEAR-TO-DATE RESULTS Budget	Actual	% of B
INTEREST EARNED: ASSESSMENT RATES AND OTHER DEBTORS	(131,347,106)	(32,836,776)	(7,481,433)	22.8%	(65,673,553)	(30,035,067)	45.7%
INTEREST EARNED: ELECTRICITY ARREARS	(80,000,000)	(20,000,001)	(10,509,118)	52.5%	(40,000,002)	(20,206,041)	50.5%
INTEREST EARNED: REFUSE REMOVAL ARREARS	(65,804,800)	(14,623,364)	(9,809,721)	67.1%	(37,843,837)	(19,261,601)	50.9%
INTEREST EARNED: SANITATION ARREARS	(65,142,000)	(16,285,500)	(8,931,114)	54.8%	(32,571,000)	(17,399,541)	53.4%
INTEREST EARNED: WATER ARREARS	(228,726,000)	(57,181,500)	(29,631,722)	51.8%	(114,363,000)	(57,451,043)	50.2%
INTEREST EARNED: CURRENT ACCOUNT	(394,202,171)	(98,550,543)	(92,481,498)	93.8%	(197,101,085)	(131,312,209)	66.6%
TOTAL	**(965,222,077)**	**(239,477,684)**	**(158,844,607)**	**66.3%**	**(487,552,477)**	**(275,665,501)**	**56.5%**

The majority of the Interest above relates to the interest charged on debtor accounts. The interest earned on debtor accounts is impacting on the outstanding debtor balances and subsequent potential bad debt.

The only interest earned in real cash is the interest on the current accounts.

EXPENDITURE

The total expenditure budgeted for the 2nd quarter ended 31 December 2017 is R7.520 billion. The actual expenditure is R7.492 billion which is R28 million (0.37%) less than budgeted.

The Total Expenditure budgeted for the 2017/18 Mid-Year is R16.046 billion. The actual expenditure is R15.215 billion which is R831 million (5.46%) less than budgeted.

REPAIR AND MAINTENANCE PER DEPARTMENT

The mSCOA Framework does not accommodate the Repair and Maintenance as a type of expenditure and category. This expenditure is embedded in the various categories of new SCOA and form part of the outsourced services, contracted services and inventory categories.

Due to the relative importance to monitor expenditure in this regard, repairs and maintenance extracted from the various categories is reflected in the table below:

DEPARTMENT	AMENDED BUDGET	QUARTERLY RESULTS QUARTER 2			YEAR-TO-DATE RESULTS		
		Budget	Actual	% of B	Budget	Actual	% of B
ROADS AND STORMWATER	655,773,386	160,596,008	278,860,819	173.6%	337,017,881	415,625,152	123.3%
WATER AND SANITATION	346,246,645	81,303,546	99,590,017	122.5%	183,653,332	148,870,779	81.1%
ENERGY	782,059,518	152,328,616	161,534,353	106.0%	327,961,679	242,688,637	74.0%
HUMAN SETTLEMENTS	195,884,278	48,481,688	44,202,324	91.2%	98,284,085	50,468,712	51.3%
INFORMATION COMMUNICATION TECHNOLOGY	142,510,507	35,627,627	28,583,874	80.2%	71,255,255	36,041,372	50.6%
WASTE MANAGEMENT	112,718,363	28,983,267	30,681,423	105.9%	52,498,689	42,752,945	81.4%
REAL ESTATE	117,558,368	25,521,795	33,626,487	131.8%	67,707,366	38,820,594	57.3%
ENVIRONMENTAL RESOURCE MANAGEMENT	98,625,819	24,660,908	233,474,373	946.7%	49,303,979	245,981,835	498.9%
DISASTER AND EMERGENCY MANAGEMENT SERVICI	40,121,700	10,084,474	5,334,202	52.9%	20,091,608	8,151,519	40.6%
TRANSPORT	43,917,431	11,027,985	8,146,515	73.9%	22,017,821	12,930,239	58.7%
SPORTS, RECREATION, ARTS AND CULTURE	36,958,254	11,030,526	12,113,065	109.8%	21,597,957	17,393,044	80.5%
CITY PLANNING	37,305,145	9,325,943	9,022,478	96.7%	18,653,249	15,539,919	83.3%
EKURHULENI METRO POLICE DEPARTMENT	30,222,133	7,575,897	9,195,013	121.4%	15,170,428	14,495,949	95.6%
CUSTOMER RELATIONS MANAGEMENT	8,302,351	2,075,056	1,449,581	69.9%	4,152,226	2,132,040	51.3%
COUNCIL GENERAL	22,003,638	5,500,910	60,932	1.1%	11,001,819	60,932	0.6%
FINANCE	21,247,785	5,316,440	1,229,940	23.1%	10,614,872	2,673,348	25.2%
HEALTH AND SOCIAL DEVELOPMENT	12,185,210	3,568,659	2,883,915	80.8%	5,450,821	4,195,281	77.0%
ECONOMIC DEVELOPMENT	4,720,424	1,180,105	788,608	66.8%	2,422,710	1,497,928	61.8%
FLEET MANAGEMENT	4,571,244	1,146,242	971,397	84.7%	2,278,757	1,278,907	56.1%
HUMAN RESOURCES	1,558,306	389,576	540,679	138.8%	779,151	1,075,265	138.0%
STRATEGY & CORPORATE PLANNING	572,381	144,820	290,329	200.5%	282,740	305,500	108.0%
CITY MANAGER	691,999	173,001	13,781	8.0%	408,502	53,904	13.2%
INTERNAL AUDIT	346,051	86,511	10,133	11.7%	173,023	12,473	7.2%
EXECUTIVE OFFICE	249,787	56,017	33,215	59.3%	103,463	78,610	76.0%
COMMUNICATION & BRANDING	112,131	28,032	23,282	83.1%	56,065	28,994	51.7%
LEGISLATURE	90,950	22,738	14,797	65.1%	45,475	14,797	32.5%
CORPORATE LEGAL	39,053	9,763	-	0.0%	19,526	-	0.0%
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINAT	93,365	3,965	10,626	268.0%	51,965	27,174	52.3%
TOTAL REPAIRS & MAINTENANCE	**2,716,686,222**	**626,250,117**	**962,686,160**	**153.7%**	**1,323,054,445**	**1,303,195,851**	**98.5%**

The significant improvement in the second quarter has resulted in the satisfactory performance for the Mid-Year results.

Employee Related Costs

The amount budgeted for the salaries and contributions towards senior management and other municipal staff amounted to R7.6 billion.

The actual expenditure for Employee Related Costs for the Mid-Year is R206 million less than the budgeted expenditure, which represents a deviation of 1.6%. This is largely as a result of the provision made for the filling of vacant positions which have not yet been filled. However, there is anticipated overspending on the positions that were filled in the first quarter as the provision for vacancies was 50% of the annual cost.

The amount spent on Overtime is a major concern. The following table reflects the Overtime per department

Department	2016/17 MID-YEAR RESULTS	2017/18 MID-YEAR RESULTS	Increase/ (decrease) in overtime
Ekurhuleni Metro Police Department (EMPD)	152,349,072	164,303,427	11,954,355
Disaster & Emergency Management Services	35,894,525	42,827,113	6,932,588
Energy Department	37,528,257	40,798,846	3,270,589
Sports, Recreation, Arts & Culture (SRAC)	12,522,595	15,405,506	2,882,911
Environmental Resource Management	9,778,021	12,562,766	2,784,746
Transport	8,406,458	10,916,505	2,510,047
Finance	6,219,713	7,107,641	887,928
Fleet Management	3,881,446	4,667,448	786,002
Economic Development	728,864	1,251,153	522,289
Human Resources	495,752	907,323	411,572
Legislature	877,138	1,266,510	389,372
Health & Social Development	2,839,430	3,162,845	323,415
City Planning	78,637	400,415	321,778
Water & Sanitation	29,212,605	29,452,283	239,678
Executive Office	119,150	348,729	229,579
Human Settlements	575,919	726,296	150,377
City Manager	128,498	198,486	69,988
EPMO	-	28,799	28,799
Internal Audit	40,317	68,630	28,313
Corporate Legal	175,083	190,464	15,381
Strategy & Corporate Planning	67,668	77,016	9,347
Risk Management	1,902	-	(1,902)
Communication and Brand Management	366,370	202,166	(164,204)
ICT	979,261	617,545	(361,716)
Roads & Stormwater	7,224,523	6,351,792	(872,731)
Customer Relations Management	1,121,927	134,114	(987,812)
Real Estate	2,537,938	1,167,649	(1,370,289)
Waste Management	53,990,569	29,739,629	(24,250,940)
TOTAL OVERTIME	**368,141,637**	**374,881,096**	**6,739,459**

The overall spending on overtime has increased by R6.7 million when compared to the Mid-Year results of 2017/18. The table above depicts departments with increased spending on overtime at the top, which is a major concern.

Remuneration of Councillors

An amount of R130.3 million is budgeted for Councillor's remuneration in the 2017/18 financial year. The amount budgeted for the 2017/18 Mid-Year is R65.1 million, whilst the actual expenditure was R60.9 million which is 6.4% less than budgeted.

Provision was made for an increase of 6% in the 2017/18 financial year, which have not yet been effected. The remuneration of councillors will therefore reflect a saving until the annual increase for allowances have been approved. This is expected to happen in early January 2018.

The actual expenditure at the end of the 3rd quarter would include the councillor allowance increases and will be in line with the budgeted amount.

Contracted Services

Contracted Services relates to all expenditure incurred by Council which could/should have been rendered by Council itself. It therefore includes;

- Outsources services;
- Consultants; and
- Other Contracts.

The budget for Contracted and Outsourced Services for the 2017/18 Mid-Year is R1.940 billion whilst the actual expenditure amounted to R1.653 billion (or 85.2% budget spent).

Cognisance must be taken that the expenditure in this category is not accrued and therefore it could reflect to a large extent only expenditure for 5 months (i.e. December 2017 invoices will only get paid in January 2018).

The following table reflects the detail expenditure per department:

DEPARTMENT	DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS Mid-Year QUARTER 2 Budget	Actual	% of B	YEAR-TO-DATE RESULTS Budget	Actual	% of B
CoE TOTAL	**Contracted Services**	**3,875,309,103**	**1,006,951,265**	**1,083,255,660**	**107.6%**	**1,940,653,581**	**1,653,290,695**	**85.2%**
CoE TOTAL	- Outsource Services	2,000,093,840	519,494,462	550,072,974	105.9%	1,006,830,770	903,550,846	89.7%
CoE TOTAL	- Consultants and Professional Services	457,506,605	130,544,163	103,960,454	79.6%	226,585,760	148,974,801	65.7%
CoE TOTAL	- Contractors	1,417,708,658	356,912,640	429,222,232	120.3%	707,237,050	600,765,048	84.9%
Executive Office	**Contracted Services**	**754,307**	**190,750**	**180,710**	**94.7%**	**372,807**	**357,326**	**95.8%**
Executive Office	- Outsource Services	606,403	153,774	159,093	103.5%	298,855	300,843	100.7%
Executive Office	- Contractors	147,904	36,976	21,617	58.5%	73,952	56,483	76.4%
Legislature	**Contracted Services**	**9,178,746**	**2,301,802**	**1,314,883**	**57.1%**	**4,575,142**	**3,217,284**	**70.3%**
Legislature	- Outsource Services	5,294,115	1,323,528	1,156,402	87.4%	2,647,056	2,965,800	112.0%
Legislature	- Consultants and Professional Services	3,776,523	951,247	140,537	14.8%	1,874,033	233,541	12.5%
Legislature	- Contractors	108,108	27,026	17,943	66.4%	54,053	17,943	33.2%
City Manager	**Contracted Services**	**21,742,177**	**5,435,090**	**10,658,142**	**196.1%**	**10,934,497**	**10,725,065**	**98.1%**
City Manager	- Outsource Services	404,257	101,064	66,375	65.7%	202,128	104,937	51.9%
City Manager	- Consultants and Professional Services	20,856,898	5,213,770	10,591,767	203.1%	10,429,358	10,591,767	101.6%
City Manager	- Contractors	481,022	120,255	-	0.0%	303,011	28,361	9.4%
Strategy & Corporate Planning	**Contracted Services**	**5,904,818**	**1,429,331**	**100,563**	**7.0%**	**3,053,658**	**378,326**	**12.4%**
Strategy & Corporate Planning	- Outsource Services	4,312,637	1,067,932	54,563	5.1%	2,184,274	86,992	4.0%
Strategy & Corporate Planning	- Consultants and Professional Services	1,591,305	361,179	46,000	12.7%	868,946	291,334	33.5%
Strategy & Corporate	- Contractors	876	219	-	0.0%	438	-	0.0%
Risk Management	**Contracted Services**	**931,542**	**342,718**	**141,768**	**41.4%**	**600,261**	**286,959**	**47.8%**
Risk Management	- Outsource Services	90,675	18,000	43,409	241.2%	54,675	64,316	117.6%
Risk Management	- Consultants and Professional Services	836,898	324,718	94,438	29.1%	541,617	218,723	40.4%
Risk Management	- Contractors	3,969	-	3,920	#DIV/0!	3,969	3,920	98.8%
Chief Operating Officer	**Contracted Services**	**1,713,746**	**611,073**	**87,846**	**14.4%**	**990,006**	**247,786**	**25.0%**
Chief Operating Officer	- Outsource Services	272,046	91,500	57,556	62.9%	126,500	97,696	77.2%
Chief Operating Officer	- Consultants and Professional Services	1,436,859	515,608	29,640	5.7%	858,665	149,440	17.4%
Chief Operating Officer	- Contractors	4,841	3,965	650	16.4%	4,841	650	13.4%
EPMO	**Contracted Services**	**13,195,129**	**3,278,072**	**1,952,094**	**59.6%**	**6,538,908**	**2,052,809**	**31.4%**
EPMO	- Outsource Services	400,408	78,072	140,620	180.1%	138,032	240,485	174.2%
EPMO	- Consultants and Professional Services	12,793,845	3,200,000	1,811,474	56.6%	6,400,000	1,811,474	28.3%
EPMO	- Contractors	876	-	-	#DIV/0!	876	850	97.0%
Council General	**Contracted Services**	**18,734,112**	**4,644,534**	**77,307**	**1.7%**	**9,445,045**	**126,595**	**1.3%**
Council General	- Outsource Services	50,264	12,566	-	0.0%	25,132	-	0.0%
Council General	- Consultants and Professional Services	49,288	(26,672)	-	0.0%	102,633	49,288	48.0%
Council General	- Contractors	18,634,560	4,658,640	77,307	1.7%	9,317,280	77,307	0.8%
Customer Relations Management	**Contracted Services**	**13,260,974**	**3,315,284**	**3,739,398**	**112.8%**	**4,408,072**	**5,807,971**	**131.8%**
Customer Relations Management	- Outsource Services	3,683,618	920,934	1,145,918	124.4%	1,841,868	1,807,222	98.1%
Customer Relations Management	- Consultants and Professional Services	8,889,984	2,222,496	2,453,411	110.4%	2,222,496	3,465,182	155.9%
Customer Relations Management	- Contractors	687,372	171,854	140,068	81.5%	343,708	535,567	155.8%
Roads & Stormwater	**Contracted Services**	**620,258,134**	**155,064,532**	**266,555,616**	**171.9%**	**309,916,815**	**396,939,242**	**128.1%**
Roads & Stormwater	- Outsource Services	754,744	188,686	68,275	36.2%	377,372	72,957	19.3%
Roads & Stormwater	- Consultants and Professional Services	7,184,297	1,796,074	1,669,096	92.9%	3,592,148	1,720,096	47.9%
Roads & Stormwater	- Contractors	612,319,093	153,079,772	264,818,245	173.0%	305,947,295	395,146,189	129.2%
Transport	**Contracted Services**	**143,685,505**	**36,753,976**	**46,929,109**	**127.7%**	**68,990,285**	**50,838,510**	**73.7%**
Transport	- Outsource Services	24,588,735	6,391,607	4,928,665	77.1%	12,693,509	8,366,038	65.9%
Transport	- Consultants and Professional Services	6,971,061	1,846,918	-	0.0%	3,010,522	-	0.0%
Transport	- Contractors	112,125,709	28,515,451	42,000,444	147.3%	53,286,253	42,472,473	79.7%
Fleet Management	**Contracted Services**	**2,143,287**	**535,821**	**853,663**	**159.3%**	**1,071,643**	**922,904**	**86.1%**
Fleet Management	- Outsource Services	832,866	208,217	389,518	187.1%	416,433	404,616	97.2%
Fleet Management	- Contractors	1,310,421	327,605	464,145	141.7%	655,210	518,289	79.1%
Real Estate	**Contracted Services**	**36,940,248**	**9,755,971**	**16,422,807**	**168.3%**	**18,681,285**	**24,653,350**	**132.0%**
Real Estate	- Outsource Services	1,085,599	327,349	48,964	15.0%	574,207	97,971	17.1%
Real Estate	- Consultants and Professional Services	32,232,435	8,100,563	16,093,338	198.7%	16,031,326	24,194,047	150.9%
Real Estate	- Contractors	3,622,214	1,328,059	280,504	21.1%	2,075,752	361,333	17.4%

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

			QUARTERLY RESULTS					
		TOTAL	Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
DEPARTMENT	DESCRIPTION	BUDGET	Budget	Actual	% of B	Budget	Actual	% of B
Health & Social Development	**Contracted Services**	**13,152,377**	**3,194,687**	**3,393,354**	**106.2%**	**5,058,612**	**4,733,980**	**93.6%**
Health & Social Development	- Outsource Services	5,009,360	1,098,998	1,529,152	139.1%	2,142,881	2,194,119	102.4%
Health & Social Development	- Consultants and Professional Services	1,297,776	114,426	32,008	28.0%	115,853	32,742	28.3%
Health & Social Development	- Contractors	6,845,241	1,981,263	1,832,194	92.5%	2,799,878	2,507,120	89.5%
Disaster & Emergency Management Services	**Contracted Services**	**66,412,351**	**16,706,150**	**9,447,568**	**56.6%**	**33,447,982**	**18,440,941**	**55.1%**
Disaster & Emergency Management Services	- Outsource Services	37,157,379	9,296,531	7,383,115	79.4%	18,583,062	14,890,082	80.1%
Disaster & Emergency Management Services	- Consultants and Professional Services	3,419,796	854,949	-	0.0%	1,709,898	434,214	25.4%
Disaster & Emergency Management Services	- Contractors	25,835,176	6,554,670	2,064,453	31.5%	13,155,022	3,116,645	23.7%
Ekurhuleni Metro Police Department (EMPD)	**Contracted Services**	**273,341,677**	**68,339,125**	**83,289,778**	**121.9%**	**136,571,539**	**130,485,475**	**95.5%**
Ekurhuleni Metro Police Department (EMPD)	- Outsource Services	234,149,367	58,541,051	71,872,551	122.8%	116,762,894	115,794,344	99.2%
Ekurhuleni Metro Police Department (EMPD)	- Consultants and Professional Services	35,778,712	8,944,677	11,128,972	124.4%	18,014,349	14,005,458	77.7%
Ekurhuleni Metro Police Department (EMPD)	- Contractors	3,413,598	853,397	288,256	33.8%	1,794,296	685,673	38.2%
Sports, Recreation, Arts & Culture (SRAC)	**Contracted Services**	**22,050,995**	**6,691,295**	**6,512,382**	**97.3%**	**12,808,798**	**10,375,168**	**81.0%**
Sports, Recreation, Arts & Culture (SRAC)	- Outsource Services	965,700	247,467	250,033	101.0%	485,959	365,930	75.3%
Sports, Recreation, Arts & Culture (SRAC)	- Consultants and Professional Services	5,189,376	1,069,233	1,486,052	139.0%	2,080,133	2,850,502	137.0%
Sports, Recreation, Arts & Culture (SRAC)	- Contractors	15,895,919	5,374,594	4,776,296	88.9%	10,242,705	7,158,736	69.9%
Human Settlements	**Contracted Services**	**284,110,264**	**82,304,142**	**45,674,709**	**55.5%**	**141,312,552**	**48,208,715**	**34.1%**
Human Settlements	- Outsource Services	75,321	18,830	9,655	51.3%	37,660	28,214	74.9%
Human Settlements	- Consultants and Professional Services	66,216,983	27,934,394	7,945,239	28.4%	32,444,485	7,945,239	24.5%
Human Settlements	- Contractors	217,817,960	54,350,918	37,719,816	69.4%	108,830,407	40,235,262	37.0%
Finance	**Contracted Services**	**215,937,455**	**54,015,481**	**41,822,219**	**77.4%**	**107,913,983**	**63,166,411**	**58.5%**
Finance	- Outsource Services	115,283,015	28,847,360	29,687,660	102.9%	57,433,287	43,722,702	76.1%
Finance	- Consultants and Professional Services	67,252,053	16,815,286	5,436,039	32.3%	33,621,481	8,142,491	24.2%
Finance	- Contractors	33,402,387	8,352,835	6,698,521	80.2%	16,859,215	11,301,218	67.0%
Human Resources	**Contracted Services**	**6,345,508**	**1,598,055**	**1,220,206**	**76.4%**	**3,211,682**	**2,001,511**	**62.3%**
Human Resources	- Outsource Services	3,564,129	902,711	602,424	66.7%	1,820,993	860,124	47.2%
Human Resources	- Consultants and Professional Services	1,587,690	396,923	114,857	28.9%	793,845	114,857	14.5%
Human Resources	- Contractors	1,193,689	298,422	502,925	168.5%	596,844	1,026,530	172.0%
ICT	**Contracted Services**	**142,419,699**	**35,604,925**	**28,599,759**	**80.3%**	**71,209,849**	**36,054,407**	**50.6%**
ICT	- Outsource Services	74,856	18,714	15,885	84.9%	37,428	16,385	43.8%
ICT	- Contractors	142,344,843	35,586,211	28,583,874	80.3%	71,172,421	36,038,022	50.6%
Corporate Legal	**Contracted Services**	**49,266,949**	**12,316,737**	**(10,589,477)**	**-86.0%**	**24,633,474**	**3,071,778**	**12.5%**
Corporate Legal	- Outsource Services	208,406	52,101	64,419	123.6%	104,203	101,611	97.5%
Corporate Legal	- Consultants and Professional Services	49,025,082	12,256,271	(10,653,896)	-86.9%	24,512,541	2,970,167	12.1%
Corporate Legal	- Contractors	33,461	8,365	-	0.0%	16,730	-	0.0%
Economic Development	**Contracted Services**	**28,812,457**	**7,415,341**	**6,517,543**	**87.9%**	**14,086,774**	**7,198,975**	**51.1%**
Economic Development	- Outsource Services	10,419,181	2,837,022	3,843,729	135.5%	4,745,136	4,216,673	88.9%
Economic Development	- Consultants and Professional Services	15,326,897	3,811,724	2,368,151	62.1%	7,740,948	2,568,941	33.2%
Economic Development	- Contractors	3,066,379	766,595	305,663	39.9%	1,600,689	413,361	25.8%

			QUARTERLY RESULTS					
		TOTAL	Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
DEPARTMENT	DESCRIPTION	BUDGET	Budget	Actual	% of B	Budget	Actual	% of B
City Planning	**Contracted Services**	**93,254,475**	**23,312,368**	**50,559,993**	**216.9%**	**46,684,737**	**70,295,632**	**150.6%**
City Planning	- Outsource Services	432,574	110,311	80,150	72.7%	211,950	174,046	82.1%
City Planning	- Consultants and Professional Services	55,231,142	13,804,367	41,487,495	300.5%	27,677,407	54,648,271	197.4%
City Planning	- Contractors	37,590,759	9,397,690	8,992,348	95.7%	18,795,379	15,473,316	82.3%
Environmental Resource Management	**Contracted Services**	**126,841,390**	**31,742,950**	**37,908,982**	**119.4%**	**63,521,273**	**43,675,228**	**68.8%**
Environmental Resource Management	- Outsource Services	80,986,528	20,227,541	23,531,261	116.3%	40,542,945	26,082,751	64.3%
Environmental Resource Management	- Consultants and Professional Services	5,419,027	1,371,185	533,493	38.9%	2,830,942	633,887	22.4%
Environmental Resource Management	- Contractors	40,435,835	10,144,224	13,844,228	136.5%	20,147,386	16,958,590	84.2%
Communication and Brand Management	**Contracted Services**	**514,458**	**143,614**	**175,023**	**121.9%**	**202,229**	**203,108**	**100.4%**
Communication and Brand Management	- Outsource Services	484,222	136,055	175,023	128.6%	187,111	203,108	108.5%
Communication and Brand Management	- Contractors	30,236	7,559	-	0.0%	15,118	-	0.0%
Internal Audit	**Contracted Services**	**8,356,102**	**2,105,692**	**3,932,789**	**186.8%**	**4,144,717**	**4,003,596**	**96.6%**
Internal Audit	- Outsource Services	4,327,890	1,098,639	1,434,528	130.6%	2,130,612	1,497,964	70.3%
Internal Audit	- Consultants and Professional Services	3,969,224	992,306	2,491,606	251.1%	1,984,612	2,496,636	125.8%
Internal Audit	- Contractors	58,988	14,747	6,656	45.1%	29,494	8,996	30.5%
Energy Department	**Contracted Services**	**421,560,024**	**105,081,952**	**127,556,520**	**121.4%**	**210,444,883**	**179,054,734**	**85.1%**
Energy Department	- Outsource Services	336,337,416	83,013,697	115,193,477	138.8%	169,512,657	159,690,492	94.2%
Energy Department	- Consultants and Professional Services	12,786,991	4,030,083	275,168	6.8%	4,726,833	328,809	7.0%
Energy Department	- Contractors	72,435,617	18,038,172	12,087,875	67.0%	36,205,393	19,035,433	52.6%
Waste Management	**Contracted Services**	**429,931,018**	**131,555,894**	**109,458,521**	**83.2%**	**223,664,976**	**169,010,665**	**75.6%**
Waste Management	- Outsource Services	406,830,422	121,812,105	108,196,670	88.8%	209,804,422	166,840,994	79.5%
Waste Management	- Consultants and Professional Services	16,819,467	8,250,690	761,588	9.2%	11,617,193	1,230,287	10.6%
Waste Management	- Contractors	6,281,129	1,493,098	500,262	33.5%	2,243,360	939,384	41.9%
Water & Sanitation	**Contracted Services**	**804,559,179**	**201,163,902**	**188,761,888**	**93.8%**	**402,157,095**	**366,756,243**	**91.2%**
Water & Sanitation	- Outsource Services	721,411,707	180,352,098	177,943,883	98.7%	360,707,529	352,261,435	97.7%
Water & Sanitation	- Consultants and Professional Services	21,566,996	5,391,747	7,623,980	141.4%	10,783,494	7,847,410	72.8%
Water & Sanitation	- Contractors	61,580,476	15,420,058	3,194,025	20.7%	30,666,073	6,647,398	21.7%

Operational Costs

Operational Costs refer to various types of expenditure which form part of the General Expenditure category in the previous reports. The following is merely a list of the detailed expenditure grouped in the category of Operational Costs.

It is necessary to analyse the Operational Costs of each department as reflected in the Departmental Operating Budget Reports.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

Description	QUARTERLY RESULTS Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
	Budget	Actual	% of B	Budget	Actual	% of B
OPERATIONAL COST						
OC: ADV/PUB/MARK - AUCTIONS	9,503,750	4,901,190	51.6%	37,515,820	6,084,152	16.2%
OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	1,882,316	1,698,144	90.2%	7,549,257	2,282,505	30.2%
PUBLICATIONS	574,285	938,050	163.3%	2,465,792	1,212,779	49.2%
OC: ADV/PUB/MARK - CUSTOMER/CLIENT INFO	5,000	32,336	646.7%	320,000	315,704	98.7%
OC: ADV/PUB/MARK - GIFTS & PROMO ITEMS	171,557	113,098	65.9%	610,549	143,447	23.5%
CORPORATE IMAGE AND MARKETING	1,389,228	90,692	6.5%	5,556,914	120,269	2.2%
OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	3,413	-	0.0%	13,654	11,977	87.7%
OC: ADV/PUB/MARK - STAFF RECRUITMENT	794	-	0.0%	3,175	-	0.0%
OC: ASSETS LESS THAN CAPITAL THRESHOLD	235,303	84,700	36.0%	928,487	84,700	9.1%
OC: AUDIT COST: EXTERNAL	4,792,838	13,451,484	280.7%	19,171,354	14,429,866	75.3%
OC: BC/FAC/C FEES - BANK ACCOUNTS	297,692	-	0.0%	1,190,767	-	0.0%
ABSA: CASH DEPOSIT FEES	1,094,657	1,082,087	98.9%	4,378,626	1,991,947	45.5%
ABSA: CASH DEPOSIT I.D.	207,985	142,318	68.4%	831,939	276,247	33.2%
BANK SERVICE CHARGES	41,597	3,853,732	9264.5%	166,388	5,194,527	3121.9%
COUNTERFEIT NOTES	1,886	-	0.0%	7,542	-	0.0%
ABSA: TRANSACTIONAL FEES	218,931	341,041	155.8%	875,725	360,254	41.1%
ABSA: CASH IN TRANSIT	919,511	-	0.0%	3,678,046	-	0.0%
ABSA: DEPOSIT MACHINES	1,007,084	-	0.0%	4,028,336	136,374	3.4%
ABSA: DR & CR CARDS	2,189,313	4,857,222	221.9%	8,757,252	7,338,340	83.8%
ABSA: E-BANKING SYSTEM	1,423,053	605,507	42.5%	5,692,214	1,018,509	17.9%
ABSA: PAYMENT CHANNEL	3,283,970	-	0.0%	13,135,878	31,367	0.2%
POST OFFICE: PAYMENT CHANNEL	833,537	464,652	55.7%	3,334,149	793,757	23.8%
EASYPAY: PAYMENT CHANNEL	7,443,664	12,168,879	163.5%	29,774,657	20,584,248	69.1%
OC: BURSARIES (EMPLOYEES)	3,327,756	827,343	24.9%	13,311,023	788,726	5.9%
GRANTS: EDUCATION (EXTERNAL)	21,893,130	10,227,913	46.7%	87,572,520	23,521,824	26.9%
OC: CLEAN SERV - LAUNDRY SERVICES	95,812	125,920	131.4%	395,940	198,535	50.1%
OC: COMMISSION - THIRD PARTY VENDORS	-	454,372	0.0%	-	454,372	0.0%
OC: COMM - CELL CONTRACT (SUBS & CALLS)	874,760	341,191	39.0%	3,515,640	408,181	11.6%
TELEPHONE: GENERAL COMMUNICATION & FAX	9,490,367	990,201	10.4%	37,961,468	24,053,872	63.4%
TELEPHONE: CELLULAR PHONES	32,315	13,516	41.8%	133,836	44,989	33.6%
OC: COMM - LICENCES (RADIO & TELEVISION)	28,750	-	0.0%	114,996	-	0.0%
LICENSES: RADIO AND TELEVISION	53,107	(3)	0.0%	373,107	318,807	85.4%
OC: COMM - POSTAGE/STAMPS/FRANKING MACH	5,019,719	7,503,239	149.5%	20,017,650	12,818,058	64.0%
OC: COMM - RENT PRIVATE BAG & POSTAL BOX	197	-	0.0%	788	-	0.0%
OC: COMM - SATELLITE SIGNALS	37,409	-	0.0%	140,546	8,171	5.8%
OC: ENTERTAINMENT - SENIOR MANAGEMENT	93,635	54,615	58.3%	341,226	88,585	26.0%
OC: EXT COM SERV PROV - INFORMATION SERV	5,093,585	92,445	1.8%	19,257,673	116,675	0.6%
OC: EXT COM SERV PROV - S/WARE LICENCES	32,804,296	6,418,822	19.6%	129,836,870	18,838,530	14.5%
OC: EXT COM SERV PROV - SYS DEVELOPMENT	3,680,910	8,451	0.2%	14,723,639	16,058	0.1%
OC: INSUR UNDER - INSURANCE AGGREGATION	5,594,327	4,965,403	88.8%	22,377,306	13,242,514	59.2%
OC: INSUR UNDER - CLAIM PAID 3RD PARTIES	3,043,610	2,007,821	66.0%	12,110,153	3,017,672	24.9%
OC: INSUR UNDER - INSURANCE CLAIMS	2,204,638	249,708	11.3%	8,818,553	1,217,449	13.8%
OC: INSUR UNDER - EXCESS PAYMENTS	2,189,313	1,071,280	48.9%	8,757,252	1,824,248	20.8%
OC: INSUR UNDER - PREMIUMS	8,869,425	-	0.0%	35,520,558	35,419,618	99.7%
OC: LEARNERSHIPS & INTERNSHIPS	167,849	-	0.0%	613,008	-	0.0%
OC: LIC - VEHICLE LIC & REGISTRATIONS	3,842,726	5,430,212	141.3%	15,967,379	10,046,402	62.9%
OC: PRINTING & PUBLICATIONS	492,603	261,937	53.2%	1,929,906	655,597	34.0%
OC: PROFESSIONAL BODIES M/SHIP & SUBS	3,020,863	118,342	3.9%	12,083,456	180,728	1.5%
OC: PARKING FEES	970	-	0.0%	3,953	6	0.2%

Description	QUARTERLY RESULTS Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
	Budget	Actual	% of B	Budget	Actual	% of B
OC: REG FEESPROF & REGULATORY BODIES	11,019	-	0.0%	49,382	-	0.0%
OC: RESETTLEMENT COST	7,112,376	691,752	9.7%	28,235,219	691,752	2.4%
OC: SYSTEM ACCESS & INFORMATION FEES	2,381	-	0.0%	9,526	-	0.0%
OC: SKILLS DEVELOPMENT FUND LEVY	17,123,670	15,208,567	88.8%	70,517,728	30,230,227	42.9%
OC: SEARCH FEES	226,840	280,431	123.6%	935,151	302,095	32.3%
OC: SERVITUDES & LAND SURVEYS	26,171	-	0.0%	104,485	1,983	1.9%
OC: STORAGE OF FILES (ARCHIVING)	160,174	-	0.0%	640,696	-	0.0%
OC: TRANSPORT - EVENTS	2,500	-	0.0%	100,000	97,500	97.5%
OC: TRANSPORT - FUNERALS	218,931	30,969	14.1%	875,725	75,969	8.7%
OC: T&S DOM - ACCOMMODATION	2,479,477	696,987	28.1%	9,243,857	920,636	10.0%
OC: T&S FOREIGN - ACCOMMODATION	7,377,827	1,897,926	25.7%	28,056,143	2,716,009	9.7%
OC: TRANSPORT - MUNICIPAL ACTIVITIES	7,163	-	0.0%	28,660	-	0.0%
OC: UNIFORM & PROTECTIVE CLOTHING	15,498,590	8,505,651	54.9%	57,914,694	11,838,567	20.4%
OC: VEHICLE TRACKING	3,198,578	5,766,489	180.3%	12,530,892	6,089,626	48.6%
VEHICLE COST: ONBOARD COMPUTERS	674,972	170,476	25.3%	2,879,427	201,795	7.0%
OC: WET FUEL	1,364,022	1,329,677	97.5%	5,121,825	2,370,811	46.3%
VEHICLE COST: FUEL & LUBRICANTS	35,671,748	37,168,436	104.2%	149,679,854	69,948,495	46.7%
OC: WORKMEN'S COMPENSATION FUND	11,541,529	11,551,290	100.1%	46,203,904	23,112,344	50.0%
SUB TOTAL : OPERATIONAL COST	**252,973,810**	**169,191,457**	**66.9%**	**1,013,781,090**	**358,208,053**	**35.3%**

Inventory

In accordance with the terminology list supplied by National Treasury, this category is defined as follows:

Inventories are assets : (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (d) in the process of production for sale or distribution.

Plant materials and operating supplies: This account should record the cost of materials purchased primarily for use in the Utility business for construction, operation and maintenance purposes. This account should include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance or accumulated depreciation provision, respectively. Materials and supplies issued should be credited to this account and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of weighted average and first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

Merchandise: This account should record the book cost of materials and supplies and appliances and equipment held primarily for retail sales. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.

Other materials and supplies: This account should record the original cost of materials and supplies held primarily for non-utility purposes. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.

Based on above the inventory include as items such as printing and stationery expenditure, materials and supplies mainly for the purpose of repairs and maintenance and other general expenditure as summarised below

Description	QUARTERLY RESULTS Mid-Year QUARTER 2			YEAR-TO-DATE RESULTS		
	Budget	Actual	% of B	Budget	Actual	% of B
INVENTORY	-	-		-	-	
INV - CONSUMABLE STORES - STANDARD RATED	9,923,637.77	12,212,545.52	123%	36,567,809.00	20,123,517.68	55%
MATERIALS: HEATING MATERIALS	378,039.63	341,280.15	90%	1,440,753.00	608,811.70	42%
INVENTORY - MATERIALS & SUPPLIES	426,102,735.92	417,974,001.94	98%	1,787,022,338.00	617,193,228.70	35%
MATERIALS: CHEMICALS	1,192,527.66	1,680,799.89	141%	4,025,438.00	1,905,170.29	47%
MATERIALS: PRINTING & STATIONERY	10,469,301.86	12,243,034.73	117%	40,747,692.00	22,216,818.20	55%
SUB TOTAL : INVENTORY	**448,066,242.84**	**444,451,662.23**	**99%**	**1,869,804,030.00**	**662,047,546.57**	35%

Conclusion

The above does not give any details of the expenditure per department and should be analysed from the various individual reports of each department.

The analysis of mainly expenditure categories is an indication that details of expenditure should be analysed in a different format in future reports. Analysis cannot be made on the mere categories of expenditure, but should be analysed in the various segments of mSCOA, namely the funding, the project, the item and costing segments.

Capital programme performance

The actual Capital Expenditure 2017/18 Mid-Year is R1.530 billion, which represents a spending of 23.92% of the total capital budget of R6.399 billion. It is important to note that the outstanding commitments at the end of December 2017 amounted to R307 million. The actual expenditure plus commitments for the Mid-Year amounted to R1.838 billion, which represents 28.73% of the Capital Budget.

The following table reflects the comparative spending for the Mid-Year period in previous years:

FY	Budget as at 31 December	Actual Expenditure	% of Budget
12/13	2,757,611,531	547,582,980.53	19.86%
13/14	3,027,227,384	1,016,299,073.45	33.57%
14/15	3,963,168,528	788,242,915.24	19.89%
15/16	4,677,512,484	1,300,553,021.86	27.80%
16/17	5,130,961,437	1,201,893,264.20	23.42%
17/18	6,399,356,712	1,530,496,149.89	23.92%

The actual spending per department is indicated in the following table.

	BUDGET 2017/18 Original R	DEPT. PROJECTION Quarter 2 R	ACTUAL Quarter 2 R	VAR Quarter 2 %	ACTUAL EXPENDITURE Year to Date R	% Spent of Total Budget %
CAPITAL BUDGET						
Chief Operating Officer	112,200,000	5,000	54,500	990.00%	54,500	0.05%
City Manager	2,380,000	2,235,000	33,200	-98.51%	33,200	1.39%
City Planning	2,900,000	800,000	-	-100.00%	38,281	1.32%
Communication and Brand Management	750,000	160,000	47,960	-70.03%	47,960	6.39%
Corporate Legal Services	450,000	410,000	129,961	-68.30%	172,961	38.44%
Council General	549,150,000	212,800	24,505,562	11415.77%	63,710,170	11.60%
Customer Relations Management	35,000,000	2,000,000	37,815,403	1790.77%	38,232,423	109.24%
Disaster & Emergency Management Services	211,770,000	35,930,000	25,607,868	-28.73%	34,933,093	16.50%
Economic Development	145,100,000	31,955,075	63,864,491	99.86%	67,390,616	46.44%
EMPD	149,000,000	74,524,168	34,207,891	-54.10%	44,866,885	30.11%
Energy	717,700,000	179,740,000	196,386,295	9.26%	298,552,190	41.60%
Environmental Resources Management	167,000,000	79,887,000	80,562,515	0.85%	103,139,230	61.76%
EPMO	1,150,000	16,690,000	25,442,891	52.44%	25,712,530	2235.87%
Executive Office	7,550,000	315,000	108,923	-65.42%	108,923	1.44%
Finance	2,087,400	-	21,675	0.00%	101,575	4.87%
Fleet Management	3,712,800	1,324,826	758,938	-42.71%	2,637,695	71.04%
Health & Social Development	91,150,000	10,428,584	14,562,222	39.64%	36,936,551	40.52%
Human Resources Management & Development	1,500,000	6,175,000	6,703,940	8.57%	6,734,659	448.98%
Human Settlements	1,001,526,242	120,448,289	65,219,359	-45.85%	100,268,308	10.01%
ICT	609,347,770	198,302,659	111,958,699	-43.54%	125,285,404	20.56%
Internal Audit	440,000	40,020,000	6,271,536	-84.33%	6,271,536	1425.35%
Legislature	6,444,500	350,000	-	-100.00%	196,821	3.05%
Real Estate	166,710,000	22,907,643	10,620,305	-53.64%	12,596,300	7.56%
Risk Management	310,000	16,492,067	13,200,412	-19.96%	13,282,480	4284.67%
Roads and Stormwater	683,800,000	140,226,445	90,278,600	-35.62%	125,903,268	18.41%
SRAC	132,900,000	104,860,604	87,508,331	-16.55%	98,366,804	74.02%
Strategy & Corporate Planning	560,000	15,750,000	11,771,471	-25.26%	11,771,471	2102.05%
Transport	831,018,000	191,983,600	147,273,601	-23.29%	172,627,660	20.77%
Waste Management	166,450,000	30,142,500	16,436,923	-45.47%	22,556,040	13.55%
Water & Sanitation	599,300,000	149,730,000	94,838,931	-36.66%	117,966,615	19.68%
TOTAL CAPITAL EXPENDITURE	**6,399,356,712**	**1,474,006,259**	**1,166,192,404**	**-20.88%**	**1,530,496,150**	**23.92%**

The actual Capital Expenditure of R1.5 billion as indicated above, is funded as follows:

	BUDGET 2016/17	TOTAL YEAR TO DATE	% of Budget
SOURCE OF FINANCE	R	R	
Energy Efficiency Demand Management Side (EEDMS) *	12,000,000	1,311,143	10.93%
External Loans	3,235,748,700	714,173,560	22.07%
Integrated City Development Grant (ICDG) *	48,646,000	-	0.00%
Integrated National Electrification Programme (INEP) *	40,000,000	36,193,809	90.48%
Neighbourhood Development Partnership Grants (NDPG) *	82,000,000	1,765,363	2.15%
Provincial Grant *	9,000,000	393,595	4.37%
Public transport Network Grants (PTNG) *	660,718,000	142,762,118	21.61%
Revenue	859,943,770	263,850,711	30.68%
Urban Settlement Development Grants (USDG) *	1,451,300,242	370,045,851	25.50%
Grand Total	**6,399,356,712**	**1,530,496,150**	**23.92%**

*The budget for projects funded by grants amounts to R2.303 billion, which represents 36% of the total capital budget of R6.399 billion. The total amount spent on grant funded projects amounts to R552m, which represent a spending of 23.98%.

Debtors Analysis

The Collection Rate for the **2nd quarter** ended 31 December 2017 is **92.08%** which is less than the target of 93.3% for the second quarter. In the previous financial year, the collection rate for the same quarter was 90.97%.

The Collection Rate for the **1st quarter** was 90.85% and therefore has improved in the 2nd quarter

The debtors' age analysis at the end of the 2nd quarter of the 2017/18FY was as follows:

As at December 2017									
SUMMARY	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Customer Group									
Organs of State	34,769	20,921	12,585	8,188	5,457	6,225	16,607	43,288	148,039
Municipal	19,546	94	14	13	11	13	15	67	19,774
Commercial	1,065,395	244,115	106,324	98,062	73,681	78,372	309,292	1,451,351	3,426,594
Households	702,365	333,526	286,381	377,714	260,793	243,036	1,337,283	7,126,780	10,667,878
Other	9,144	4,017	3,323	3,338	3,867	3,097	19,741	140,551	187,078
Total By Customer Group	**1,831,219**	**602,674**	**408,627**	**487,315**	**343,809**	**330,742**	**1,682,938**	**8,762,036**	**14,449,362**

Outstanding debtors as at 31st December 2017 amounted to R14.5 billion. The debt payable between 0-30 days is regarded as current debt and amounts to R1.831 billion.

One of the biggest challenges that Council is facing is the limited credit control measures in areas where Eskom is supplying electricity. Council cannot disconnect the electricity of defaulters and the following table reflects the impact on Council's collection rate:

	Eskom Supply	**CoE Supply**	**Total**
July 2017	18.47%	92.75%	88.60%
August 2017	24.89%	96.74%	94.10%
September 2017	20.42%	92.63%	89.45%
October 2017	29.82%	96.64%	93.83%
November 2017	19.30%	100.63%	95.11%
December 2017	27.16%	94.59%	90.97%

Collection Rate per CCA for the 2nd Quarter (October - December 2017)

The collection rate per CCA for the 2nd quarter per CCA was as follows:

	Results for 2nd Quarter (target = 93.34%)			
Customer Care Area	**Levied**	**Adjustments**	**Receipted**	**%**
Alberton	1,215,084,742.65	1,093,067.67	1,189,896,091.33	**97.84%**
Benoni	1,105,323,154.51	(61,428,209.42)	986,635,055.54	**94.51%**
Boksburg	1,491,589,621.28	(8,342,722.41)	1,448,014,411.82	**97.62%**
Brakpan	546,069,549.91	(34,715,409.74)	481,514,239.92	**94.16%**
Daveyton	213,431,200.17	(72,878,114.00)	62,526,606.26	**44.49%**
Duduza	63,162,355.53	(91,099,023.52)	4,307,248.50	**-15.42%**
Edenvale	1,304,949,278.62	(198,803,263.21)	1,084,759,269.61	**98.07%**
Etwatwa	143,727,709.05	(57,185,893.49)	12,193,561.49	**14.09%**
Germiston	2,137,713,774.04	(145,123,615.42)	1,935,272,769.59	**97.12%**
Katlehong 1	352,213,788.77	(62,685,133.59)	151,891,392.96	**52.46%**
Katlehong 2	249,918,291.91	(115,575,682.46)	24,506,469.08	**18.24%**
Kempton Park	2,255,813,360.05	18,555,437.63	2,220,858,325.49	**97.65%**
Kwa-Thema	86,995,337.80	(19,780,951.05)	44,607,172.46	**66.37%**
Nigel	397,436,331.73	(53,815,697.71)	311,385,142.35	**90.62%**
Springs	895,473,775.48	(67,565,888.38)	824,968,123.58	**99.64%**
Sundries and Other	33,392,981.77	(56,223,347.13)	14,546,061.42	**-63.71%**
Tembisa 1	145,201,829.01	(42,192,290.72)	101,426,195.60	**98.46%**
Tembisa 2	712,882,419.72	(44,907,405.42)	609,063,020.61	**91.18%**
Tokoza	182,357,060.79	(69,662,717.45)	38,249,518.89	**33.94%**
Tsakane	238,502,139.26	(106,379,225.44)	52,690,809.76	**39.88%**
Vosloorus	455,856,154.92	(85,136,301.39)	235,750,261.67	**63.59%**
Grand Total	**14,227,094,856.97**	**(1,373,852,386.65)**	**11,835,061,747.93**	**92.08%**
Stats for the quarter:				
Best collection level (%)			Springs	99.64%
Worst collection level			Duduza	-63.71%
Highest levied amount			Kempton Park	2,255,813,360
Higest amount receipted			Kempton Park	2,220,858,325
Highest amount NOT COLLECTED			Katlehong 1	137,637,262

Creditors Analysis

The creditors' age analysis for creditors at the end of **December 2017** was as follows:

Item	Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total -
0100	Bulk Electricity	770,670,035	-	-	-	-	-	-	-	770,670,035
0200	Bulk Water	271,376,730	-	-	-	-	-	-	-	271,376,730
0300	PAYE deductions	-	-	-	-	-	-	-	-	-
0400	VAT (output less input)	-	-	-	-	-	-	-	-	-
0500	Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
0600	Loan repayments	87,370,744	-	-	-	-	-	-	-	87,370,744
0700	Trade Creditors	2,391,558,640	65,300,610	26,373,173	-	-	-	-	-	2,483,232,423
0800	Auditor General	6,015,833	-	-	-	-	-	-	-	6,015,833
0900	Other	-	-	-	-	-	-	-	-	-
1000	Total	3,526,991,982	65,300,610	26,373,173	-	-	-	-	-	3,618,665,765

Top 20 Creditors for the month of December 2017		
	Payee	*R*
1	**Eskom**	**770,670,036**
2	**Rand Water**	**271,376,730**
3	**Nedbank Limited (Nedbank Capital Project Admin)**	**87,370,745**
4	**Gauten Provincial Government**	**83,172,706**
5	**East Rand Water Care Company**	**77,721,365**
6	**Jupiter Electrical Wholesalers cc**	**56,591,291**
7	**Development Bank of Southern Africa (Capital Projects)**	**53,299,967**
8	**Red Ant Security Relocation and Eviction (Pty) Ltd**	**23,689,658**
9	**Sungu Sungu Projects cc**	**23,192,099**
10	**Raphahlelo and Associates cc t/a F&J Electrical**	**21,017,736**
11	**KTVR Bus Service (Pty) Ltd**	**20,540,334**
12	**The Housing Development Agency**	**20,110,063**
13	**Secrete Steps Trading cc**	**19,936,872**
14	**King Civil/Ludonga JV**	**18,344,008**
15	**Ford Motor Company of SA Manufacturing**	**17,213,982**
16	**Mapitsi Civil Works and Supp;iers of Construction**	**14,670,499**
17	**Leeuwpoort Developments (Pty) Ltd**	**13,327,984**
18	**Makole Civils cc**	**12,813,726**
19	**Sheriff Germiston South (AC Greyling)**	**12,707,161**
20	**Volkswagen of SA (Pty) Ltd**	**11,808,961**
		1,629,575,923

The creditors outstanding beyond the 30 days relate to those invoices are in dispute, late or turned back due to not meeting the City's invoice requirements that are in line with the tax legislation.

CREDITOR PAYMENT STATISTICS FROM 01 OCTOBER 2017 TO 31 DECEMBER 2017

	Count	**%**	**Value**	**%**					
Processed ELE's	13188	86.34	7,060,293,784.32	99.59					
Processed CHQ's	2087	13.66	29,147,949.96	0.41					
	15275	100.00	7,089,441,734.28	100.00					
Invoices Processed - SUN	13993	41.35	6,119,314,848.34	86.32					
Invoices Processed - ORD	19848	58.65	970,127,180.88	13.68					
	33841	100.00	7,089,442,029.22	100.00					
Invoices paid within days:									
	Finance Process Date Count	**% of Total Count**	**Finance Process Date Value**	**Supplier Invoice Date Count**	**% of Total Count**	**Supplier Invoice Date Value**	**Invoice Stamp Date Count**	**% of Total Count**	**Invoice Stamp Date Value**
30 Days	33693	99.56	7,085,728,698.04	20682	61.115	5,897,440,936.81	29832	88.15	6,725,829,754.02
60 Days	104	0.31	2,615,195.36	8206	24.249	853,152,275.75	2901	8.57	282,507,648.69
60+ Days	44	0.13	1,098,135.82	4953	14.636	338,848,816.66	1108	3.27	81,104,626.51
	33841	100.00	7,089,442,029.22	33841	100.00	7,089,442,029.22	33841	100.00	7,089,442,029.22

Investment Portfolio Analysis

The number of days for cash coverage for the quarter ended December 2017 is 40 days. The total unencumbered cash for the quarter ended December 2017 came down significantly from R4.9bn in November 2017 to R3.1bn in December 2017. In addition, total payments/expenditure increased from R2.85bn in November to R3.7bn in December 2017. These two factors led to a decrease in the number of cash coverage days for Quarter 2.

The Operating Cash on Hand is calculated as follows:

NUMBER OF DAYS CASH ON HAND (CASH COVERAGE)

	ACTUAL 2017/2018 Oct-17 R	ACTUAL 2017/2018 Nov-17 R	ACTUAL 2017/2018 Dec-17 R
Unencumbered Investment	586,914,100	586,914,100	586,914,100
Encumbered Investment	1,395,467,754	1,388,321,329	1,420,383,481
Bank Balances	5,720,429,651	5,829,932,387	5,236,927,636
Nedbank Overdraft	300,000,000	300,000,000	300,000,000
TOTAL CASH AND INVESTMENTS	**8,002,811,505.00**	**8,105,167,816.00**	**7,544,225,217.00**
Less Encumbered Cash:			
1. Encumbered Investments and Investments in ME's (Sinking Fund)	1,395,467,754	1,388,321,329	1,420,383,481
2. Dedicated bank accounts (grants and capex and Capital Replacement Reserve))	**1,484,124,247**	**1,849,072,547**	**3,014,354,670**
a. External Funding	148,321,909	149,115,399	149,887,531
b. Capital Replacement Reserve	328,834,213	332,521,329	335,209,248
c. Primary Account	557,950,217	1,079,835,749	1,852,439,832
d. Housing Account	72,356,811	66,528,309	65,447,655
e. USDG Account	374,539,662	219,595,615	608,655,647
f. Capital projects	*1,149,498*	*1,166,077*	*1,172,061*
g. Springs Market Account	*971,937*	*310,069*	*1,542,696*
TOTAL UNENCUMBERED CASH	**5,123,219,504**	**4,867,773,940**	**3,109,487,066**
TOTAL CASH PAYMENTS	**3,423,736,047**	**2,852,738,360**	**3,707,916,774**
Number of day's total cash held (un-encumbered cash)	**45**	**51**	**25**

Actual cash in each of the bank accounts are as follows:

	Bank	ACTUAL 2017/18 Oct-17	ACTUAL 2017/18 Nov-17	ACTUAL 2017/18 Dec-17
		R	R	R
EMM Boksburg Income				
EMM Boksburg Direct Banking 1		487,791,757.90	98,853,884.56	31,953,761.66
EMM Brakpan			30,398,245.00	5,337,415.47
EMM Germiston Direct Banking	ABSA	913,600,420.70	190,649,134.81	43,007,591.75
EMM Kempton Park Direct Bankin	ABSA	895,754,174.90	176,668,374.15	10,921,435.57
EMM Springs Direct Banking	ABSA	265,978,112.00	42,215,431.49	23,254,767.26
Primary Bank Account	ABSA	-1.00	412,199.00	5,099,179.65
EMM Benoni Income	ABSA	44,993,750.98	302,254.03	132,120.26
EMM Benoni Direct Banking	ABSA	318,706,069.20	67,031,161.97	16,974,721.05
EMM Edenvale Income	ABSA			
EMM Edenvale Direct Banking	ABSA	153,515,596.00	33,441,900.38	10,016,774.15
Metro Housing Account	ABSA			
Metro Expenditure/Stores Accou	ABSA		954,660.01	787.00
Metro Treasury Account	ABSA	178,749,390.20	129,357,003.51	162,575,808.20
EMM E-Siyakhokha Mask Account	ABSA	40,227,157.72	34,329,075.56	8,456,657.77
Standard Bank Mask Account	ABSA	255,220,531.47	269,676,468.31	279,322,972.84
FNB Mask account	ABSA	207,328,296.32	209,042,299.81	210,612,702.43
EMM IRPTN TRANSPORT- FUNDING	NEDBANK		1,156,749.81	1,162,734.29
EMM IRPTN TRANSPORT- COLLECTI	NEDBANK		9,326.79	9,326.79
EMM SALARY ACCOUNT	NEDBANK	274,205,682.65	271,395,462.20	270,395,490.39
EMM EXPENDITURE ACCOUNT	NEDBANK	66,177,313.41	116,547,781.76	616,484,258.50
EMM TREASURY ACCOUNT	NEDBANK	136,281,047.07	2,308,181,885.86	514,874,210.19
EMM-USDG ACCOUNT	NEDBANK	374,539,661.39	219,595,614.94	608,655,646.55
EMM HOUSING ACCOUNT	NEDBANK	72,356,810.06	66,528,308.70	65,447,655.12
EMM DEPRECIATION RESERVE ACCOUNT	NEDBANK	328,834,212.23	332,521,329.40	335,209,247.99
EMM EXTERNAL FUNDING FUND	NEDBANK	148,321,907.90	149,115,399.35	149,887,530.71
EMM PRIMARY BANK ACCOUNT	NEDBANK	557,950,217.24	1,079,423,550.14	1,847,340,652.23
EMM SPRINGS MARKET	NEDBANK	971,937.37	310,069.17	1,542,695.58
EMM NEDBANK MASK	NEDBANK	-1,074,394.27	1,814,816.69	18,251,492.22
Total		**5,720,429,651.44**	**5,829,932,387.40**	**5,236,927,635.62**

Cognisance must be taken of the fact that the cash target is based on the **operating cash** available (and not the total cash in the bank). The operating cash available is based on the actual cash less/plus cash flow movement in operating activities, investing activities and financing activities.

Investments balances as at the end of the period were as indicated below:

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

INVESTMENTS REGISTER AS AT 31.12.2017

CAPITAL

COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	OPENING BALANCE 1.07.2015	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTE-REST RATE	REFERENCE IN LEDGER	BALANCE 31.12.2017
INVESTEC BANK									
13-Nov-98		Call deposit	ENCUMBERED DEP.	45,129,818.67			6.85%	GROWTH	45,129,818.67
				45,129,818.67	-	-			**45,129,818.67**
INVESTEC BANK STRUCTED DEPOSITSINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL									
29-Feb-12	1-Mar-21		OPENING BALANCE	415,883,743.08			9.2278%	GROWTH	415,883,743.08
29-Feb-12	1-Mar-21	29-Jul-17	STRUCTURED DEPOSIT		11,631,606.01		9.2278%		11,631,606.01
29-Feb-12	1-Mar-21	1-Aug-17	STRUCTURED DEPOSIT		11,631,606.01		9.2278%		11,631,606.01
29-Feb-12	1-Mar-21	29-Sep-17	STRUCTURED DEPOSIT		11,631,606.01	42,880,000.00	9.2278%		-31,248,393.99
29-Feb-12	1-Mar-21	27-Oct-17	STRUCTURED DEPOSIT		11,631,606.01		9.2278%		11,631,606.01
29-Feb-12	1-Mar-21	27-Nov-17	STRUCTURED DEPOSIT		11,631,606.01		9.2278%		11,631,606.01
29-Feb-12	1-Mar-21	28-Dec-17	STRUCTURED DEPOSIT		11,631,606.01		9.2278%		11,631,606.01
				415,883,743.08	**69,789,636.06**	**42,880,000.00**			**442,793,379.14**
STANLIB									
10-Apr-00	ON CALL	Call deposit	MONEY MARKET FUND	4,716,567.39		0.00	Variable	700369888	4,716,567.39
				4,716,567.39	0.00				4,716,567.39
SANLAM									
2-Jun-03	ON CALL	Call deposit	FUND MANAGING (CLF)	140,915.41			Variable	2.6E+07	140,915.41
				140,915.41	**0.00**	**0.00**			**140,915.41**
RAND MERCHANT BANK									
2-Aug-00			GUARANTEED TRUST	5,124,719.07			13.25%	GROWTH	5,124,719.07
1-Oct-98	Unit Trusts		MONEY MARKET FUND	35,590,812.28			6.07%	GROWTH	35,590,812.28
30-Oct-98	28-Oct-16		GUARANTEED TRUST	26,354,728.67			14.76%	GROWTH	26,354,728.67
				67,070,260.02	**0.00**				**67,070,260.02**
RAND MERCHANT BANK STRUCTURED DEPOSIT SINKING FUND R815M TO REPAY LOAN AND BOND CAPITAL									
1-Jul-16			OPENING BALANCE	513,883,863.00			9.23%	GROWTH	513,883,863.00
28-Feb-11	28-Feb-20	29-Jul-17	STRUCTURED DEPOSIT		11,507,731.00	42,877,642.00	9.23%		-31,369,911.00
28-Feb-11	28-Feb-20	28-Aug-17	STRUCTURED DEPOSIT		11,507,731.00		9.23%		11,507,731.00
28-Feb-11	28-Feb-20	28-Sep-17	STRUCTURED DEPOSIT		11,507,731.00		9.23%		11,507,731.00
28-Feb-11	28-Feb-20	27-Oct-17	STRUCTURED DEPOSIT		11,507,731.00		9.23%		11,507,731.00
28-Feb-11	28-Feb-20	27-Nov-17	STRUCTURED DEPOSIT		11,507,731.00		9.23%		11,507,731.00
28-Feb-11	28-Feb-20	28-Dec-17	STRUCTURED DEPOSIT		11,507,731.00		9.23%		11,507,731.00
				513,883,863.00	69,046,386.00	42,877,642.00			540,052,607.00
NEDBANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITALEMM03									
1-Jul-16			OPENING BALANCE	419,243,486.26			8.24%	GROWTH	419,243,486.26
18-Dec-12	1-May-24	29-Jul-17	STRUCTURED DEPOSIT		9,914,238.78		8.24%		9,914,238.78
18-Dec-12	1-May-24	1-Aug-17	STRUCTURED DEPOSIT		9,914,238.78		8.24%		9,914,238.78
18-Dec-12	1-May-24	29-Sep-17	STRUCTURED DEPOSIT		9,914,238.78		8.24%		9,914,238.78
18-Dec-12	1-May-24	27-Oct-17	STRUCTURED DEPOSIT		9,914,238.78		8.24%		9,914,238.78
18-Dec-12	1-May-24	27-Nov-17	STRUCTURED DEPOSIT		9,914,238.78	40,200,000.00	8.24%		-30,285,761.22
18-Dec-12	1-May-24	28-Dec-17	STRUCTURED DEPOSIT		9,914,238.78	991,423.88	8.24%		8,922,814.90
				419,243,486.26	59,485,432.68	41,191,423.88			437,537,495.06
NEDBANK SHORT TERM									
18-Aug-16	CALL		CALL	1,025,120,843.95		800,000,000.00	7.85%		225,120,843.95
									0.00
				1,025,120,843.95	0.00	800,000,000.00			225,120,843.95
LAND BANK									
26-Jul-17	26-Jul-18		Fixed (12 Months)	40,735,388.99			7.00%		40,735,388.99
									0.00
				40,735,388.99	0.00	0.00			40,735,388.99
RAND AIRPORT									
			SHAREHOLDING	4,000,000.00					4,000,000.00
MUNICIPAL ENTITIES									
10-Mar-99			G.G. INNER CITY HSNG	306.00					306.00
				306.00		0.00			306.00
			TOTAL INVESTMENTS	**2,535,925,192.77**	**198,321,454.74**	**926,949,065.88**			**1,807,297,581.63**

Allocation and Grant Receipts and Expenditure

- The term "unspent" used in the Annual Financial Statements should be interpreted as being grants received from National and Provincial government, but not yet spent (as at reporting date). It is not necessary for all grants to be spent in the same period, nor is it possible. In terms of accounting rules, grants are shown as a creditor ("unspent conditional grants") from when received until when the conditions of the grant have been met, i.e. the grant has been spent on the purposes it was provided for.
- Grants that were unspent at the beginning of the financial year and remain unspent at the end of the year will in all probability have to be either surrendered to National Treasury (as per the Division of Revenue Act) or will have to be evaluated if the grant is not subject to surrender.
- There are exceptional cases where grants will remain unspent for long periods of time due to the nature of the project or litigation involved in the project

A risk rating has been attached to all unspent grants and is indicated as follows:

- No risk – indicated with a "1" and GREEN upward arrows – these grants have been received recently and have no risk of being surrendered as it is expected that the grant will be spent in full as per the conditions of the grant.
- Tolerable risk – indicated with a "2" and an AMBER sideways arrow – the unspent portion of the grant is less than the total of the outstanding amount at the beginning of the year plus the amount received during the year. There is a risk of surrender insofar as the unspent portion of the previous year is concerned. An intervention is required to ensure the grant is spent as per the conditions of the grant.
- Significant risk – indicated with a "3" and a RED downward arrow – the outstanding portion is more than the total of the outstanding amount at the beginning of the year plus the amount received during the year, in other words, the outstanding grant is getting bigger and new allocations are not spent (in addition to old unspent allocations). There is a great risk of the grant being surrendered and urgent attention is required.

The status of grants as at the end of the period is reflected in the table below

Name of Grant	EMM Responsible Department	Unspent Funds - 16/17 Opening Balances 17/18	National / Provincial Treasury/Appropria tion to revenue	Accumulated Receipts for the Financial year	Accumulated Expenditure for the Financial year	Balance Available	% Spent	Risk
NATIONAL / DORA GRANTS - OPERATING								
FMG	Finance	-		1,050,000.00	(233,608.92)	816,391.08	22.25%	3
TOTAL		**-**	**-**	**1,050,000.00**	**(233,608.92)**	**816,391.08**	**22.25%**	
Equitable Share - Electricity	Energy	-		346,831,278.00	(346,831,278.00)	-	100.00%	1
Equitable Share - Solid Waste	Waste Management	-		345,522,480.00	(345,522,480.00)	-	100.00%	1
Equitable Share -Water and Wastewater	Water & Sanitation	-		943,642,834.00	(943,642,834.00)	-	100.00%	1
Equitable Share - Finance	Finance	-		403,771,103.36	(403,771,103.36)	-	100.00%	1
Fuel Levy - Finance	Finance	-		1,129,504,000.00	(1,129,504,000.00)	-	100.00%	1
TOTAL		**-**		**3,169,271,695.36**	**(3,169,271,695.36)**	-	**100.00%**	
NATIONAL / DORA GRANTS - CAPITAL								
USDG	Human Settlements	21,713,359.03	(9,487,306.03)	1,188,381,000.00	(657,248,359.24)	543,358,693.76	54.74%	2
INEP	Energy	-		40,000,000.00	(36,193,808.77)	3,806,191.23	90.48%	1
PTNG	Public Transport	29,884,180.82	(29,884,180.82)	350,360,000.00	(148,022,011.98)	202,337,988.02	42.25%	3
NDPG	Human Settlements & City Planning	29,145,705.45	(29,145,705.45)	64,824,000.00	(1,765,363.45)	63,058,636.55	2.72%	3
Electricity Demand Side	Energy	107.24	-	4,000,000.00	(1,311,142.68)	2,688,964.56	32.78%	3
Expanded Public Works Programme	Economic Development	2,075.90	(2,075.90)	31,303,000.00	(18,095,476.05)	13,207,523.95	57.81%	2
Intergrated City Development	Human Settlements	572,426.86	(572,426.86)	48,646,000.00	-	48,646,000.00	0.00%	3
Wifi Connectivity roll out	ICT	201,078.31	-	-	-	201,078.31	0.00%	3
TOTAL		**81,518,933.61**	**(69,091,695.06)**	**1,727,514,000.00**	**(862,636,162.17)**	**877,305,076.38**	**49.58%**	
PROVINCIAL GRANTS - OPERATING								
SETA	Human Resources	-		5,654,801.89	(3,256,413.72)	2,398,388.17	57.59%	2
BKB	Environmental Resources	16,206.67		-	-	16,206.67	0.00%	3
HIV/AIDS	Health & Social	-		7,698,000.00	(7,615,685.16)	82,314.84	98.93%	1
Township Initiatives	SRAC - Libraries	888,620.26		9,800,000.00	(2,761,810.81)	7,926,809.45	25.84%	3
HSDG Accreditation	Human Settlements	30,976,363.56		41,203,160.00	(8,871,866.69)	63,307,656.87	12.29%	3
Disaster Grant	Human Settlements	8,772.71		-	-	8,772.71	0.00%	3
TOTAL		**31,889,963.20**	**-**	**64,355,961.89**	**(22,505,776.38)**	**73,740,148.71**	**23.38%**	
PROVINCIAL - SUBSIDIES								
Health Subsidies	Health & Social	-		91,238,000.00	(91,238,000.00)	-	100.00%	1
Emergency Subsidies	DEMS	-		110,708,500.00	(110,708,500.00)	-	100.00%	1
TOTAL		**-**		**201,946,500.00**	**(201,946,500.00)**	-	**100.00%**	
PROVINCIAL GRANTS - CAPITAL								
		-	-	-	-	-		
TOTAL		**-**	**-**	**-**	**-**	**-**		
PUBLIC CONTRIBUTIONS / FOREIGN GRANTS - CAPITAL								
		-	-		-	-		
TOTAL		**-**		**-**	**-**	**-**		
Total National / DORA Grants + Subsidies		**81,518,933.61**	**(69,091,695.06)**	**4,897,835,695.36**	**(4,032,141,466.45)**	**878,121,467.46**	**82.12%**	
Total Provincial Grants +		**31,889,963.20**	**-**	**266,302,461.89**	**(224,452,276.38)**	**73,740,148.71**	**75.27%**	
Total Public Contributons + Foreign Grants		**-**	**-**	**-**	**-**	**-**	**-**	
GRAND TOTAL		**113,408,896.81**	**(69,091,695.06)**	**5,164,138,157.25**	**(4,256,593,742.83)**	**951,861,616.17**	**81.72%**	

The **unspent grants** at the beginning of the 2017/18FY amounted to R113m. The unspent grants at the beginning of the 2016/17 financial year (previous year) was R433m, which is an indication that there was an improvement of spending grants during 2016/17 financial year. It implies that Council spent R320m more of grant funding than what was received.

From the unspent grants of R113m, a total of R100m was not approved for retention by the municipality. To date R69m was surrendered to National Treasury and R205, 904 to Provincial

Treasury. A further R 31m is still to be surrendered on receipt of the banking details from Provincial Treasury.

The receipts for the Year-to-Date period at the end of the 2nd quarter amounted to R 5,164 billion (including fuel levy). The expenditure as at the end of the 2nd quarter is R (4,256 billion which represents 82% spending. The total unspent funds (including 2016/17 unspent grants) at the end of December 2017 is R 952m.

In line with the provisions of Section 22 of the 2016 Division of Revenue Act read in conjunction with Circular 75, motivation letters to retain the unspent grants for the following grants were submitted to National and Provincial Treasuries.

The status of grants as at the end of the period is reflected in the table below.

Name of Grant	COE Responsible Department	2016/17 Unspent Amount	Amount approved for Roll-over	Amount NOT approved for Roll-over	Comments
Integrated City Development (ICDG)	Human Settlements	572,427	0	572,427	The total unspent amount was not approved and was offsetted against the 2nd tranche payment of Equitable share (Dec 2017)
Urban Settlement Development Grant (USDG)	Human Settlements	21,713,359	12,226,053	9,487,306	Only R12,2m was approved while R9,5 m was offset against the equitable share
Energy Efficiency Demand Side Management (EEDSM)	Energy	107	0	107	Not approved, savings realised and not subjected to surrender
Public Transport Network Grant (PTNG)	Public Transport	29,884,181	0	29,884,181	The total unspent amount was not approved and was offsetted against the 2nd tranche payment of Equitable share (Dec 2017)
Neighborhood Development Programme Grant (NDPG)	Human Settlements	1,679,705	0	1,679,705	The total unspent amount was not approved and was offsetted against the 2nd tranche payment of Equitable share (Dec 2017)
	City Planning	27,466,000	0	27,466,000	
Expanded Public Works Programme(EPWP)	Economic Development	2,076	0	2,076	The saving was not approved and offset against the equitable share.

Name of Grant	COE Responsible Department	2016/17 Unspent Amount	Amount approved for Roll-over	Amount NOT approved for Roll-over	Comments
Township Initiatives	SRAC – Libraries	888,620	682,715	205,905	Only R682,715 was approved while R205,905 was offset in the adjusted gazette
Human Settlements Development Grant (HSDG)	Human Settlements	30,976,364	0	30,976,364	The total amount was not approved, awaiting the banking details to surrender.
Disaster Management Grant	Human Settlements	8,773	0	8,773	The total amount was not approved, awaiting the banking details to surrender.
Bontle Ke Botho	Environmental Resources Development	16,207	16,207	0	Unconditional grant, amount automatically rolled over
Wi-Fi Connectivity roll out	ICT	201,078	201,078	0	Unconditional grant, amount automatically rolled over and will be included on the capital budget adjustment
GRAND TOTAL		**113,408,897**	**13,126,053**	**100,282,844**	

In-year budget statement tables

The tables as required in terms of the Municipal Budget and Reporting Regulations are included in the report.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

EKU Ekurhuleni Metro - Table C1 Monthly Budget Statement Summary - M06 December

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								**%**	
Financial Performance									
Property rates	4,614,379	5,088,330	–	478,358	2,672,816	2,533,132	139,684	6%	5,345,633
Service charges	20,450,220	19,807,888	–	1,576,100	10,430,209	10,438,763	(8,554)	-0%	20,860,418
Investment revenue	626,606	400,107	–	28,622	135,150	197,451	(62,301)	-32%	270,300
Transfers recognised - operational	3,373,329	5,406,054	–	1,541,731	3,704,122	3,725,423	(21,301)	-1%	7,408,244
Other own revenue	2,738,001	1,592,519	–	68,976	543,810	709,732	(165,922)	-23%	1,087,620
Total Revenue (excluding capital transfers and contributions)	**31,802,534**	**32,294,898**	**–**	**3,693,786**	**17,486,108**	**17,604,501**	**(118,393)**	**-1%**	**34,972,215**
Employee costs	6,223,885	7,466,601	–	646,636	3,606,486	3,824,508	(218,022)	-6%	7,212,972
Remuneration of Councillors	119,944	139,604	–	10,191	60,958	65,158	(4,200)	-6%	121,916
Depreciation & asset impairment	1,851,172	2,076,026	–	167,684	1,006,116	1,000,900	5,216	1%	2,012,232
Finance charges	579,851	801,361	–	12,763	233,541	368,361	(134,821)	-37%	467,081
Materials and bulk purchases	14,889,452	16,454,478	–	1,157,823	8,028,433	8,055,168	(26,735)	-0%	16,056,865
Transfers and grants	2,057,179	1,117,152	–	150,693	558,588	500,231	58,357	12%	1,117,176
Other expenditure	5,707,567	4,717,873	–	385,595	1,893,627	2,260,056	(366,429)	-16%	3,787,254
Total Expenditure	**31,429,050**	**32,773,095**	**–**	**2,531,386**	**15,387,748**	**16,074,381**	**(686,633)**	**-4%**	**30,775,497**
Surplus/(Deficit)	**373,484**	**(478,196)**	**–**	**1,162,401**	**2,098,359**	**1,530,119**	**568,240**	**37%**	**4,196,718**
Transfers recognised - capital	1,661,862	2,303,664	–	162,338	552,472	857,979	(305,507)	-36%	1,104,944
Surplus/(Deficit) after capital transfers & contributions	**2,035,346**	**1,825,468**	**–**	**1,324,739**	**2,650,831**	**2,388,098**	**262,733**	**11%**	**5,301,662**
Surplus/ (Deficit) for the year	**2,035,346**	**1,825,468**	**–**	**1,324,739**	**2,650,831**	**2,388,098**	**262,733**	**11%**	**5,301,662**
Capital expenditure & funds sources									
Capital expenditure	**5,229,747**	**6,715,956**	**–**	**452,878**	**1,530,496**	**3,357,978**	**(1,827,482)**	**-54%**	**6,715,956**
Capital transfers recognised	1,847,686	2,359,664	–	162,338	552,472	1,179,832	(627,360)	-53%	2,359,664
Borrowing	1,765,376	3,434,508	–	193,645	714,174	1,717,254	(1,003,081)	-58%	3,434,508
Internally generated funds	**1,616,684**	**921,783**	**–**	**96,895**	**263,851**	**460,892**	**(197,041)**	**-43%**	**921,783**
Total sources of capital funds	**5,229,747**	**6,715,956**	**–**	**452,878**	**1,530,496**	**3,357,978**	**(1,827,482)**	**-54%**	**6,715,956**
Financial position									
Total current assets	14,956,537	14,525,152	13,531,111		17,285,116				12,181,645
Total non current assets	50,238,728	51,303,237	49,821,666		53,643,992				51,171,132
Total current liabilities	8,766,077	6,534,076	8,307,447		9,296,468				8,307,447
Total non current liabilities	9,111,658	9,227,161	8,800,593		9,522,786				8,800,593
Community wealth/Equity	**47,317,530**	**50,067,151**	**46,244,736**		**52,109,854**				**46,244,736**
Net cash from (used) operating	4,895,926	4,702,372	4,639,302	247,319	41,064	2,462,285	2,421,221	98%	5,909,484
Net cash from (used) investing	(4,300,270)	(4,518,103)	(4,488,932)	(310,590)	(359,200)	(2,899,272)	(2,540,072)	88%	(6,958,253)
Net cash from (used) financing	(306,781)	1,427,285	1,437,098	(24,002)	1,257,837	1,194,887	(62,950)	-5%	2,867,728
Cash/cash equivalents at the month/year end	**8,009,279**	**9,312,930**	**8,288,845**	**–**	**7,589,318**	**7,459,276**	**(130,043)**	**-2%**	**8,468,576**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Total Debtors	1,922,825	581,242	443,239	494,909	428,836	286,249	1,710,785	8,596,097	14,464,182
Creditors Age Analysis									
Total Creditors	3,293,955	104,806	21,309	6,661	2,354	32,031	6,538	**3,771**	3,471,424

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

EKU Ekurhuleni Metro - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Standard										
Governance and administration		**7,783,961**	**8,244,484**	**–**	**1,254,426**	**4,440,595**	**4,369,782**	**70,813**	**2%**	**8,881,190**
Executive and council		1,475	–	–	91	724	–	724	#DIV/0!	1,447
Budget and treasury office		7,781,658	8,242,665	–	1,254,364	4,439,945	4,368,843	71,102	2%	8,879,890
Corporate services		828	1,819	–	(28)	(74)	939	(1,012)	-108%	(147)
Community and public safety		**1,004,899**	**1,326,274**	**–**	**22,757**	**94,308**	**532,873**	**(438,565)**	**-82%**	**188,616**
Community and social services		33,170	35,736	–	1,913	11,110	12,972	(1,862)	-14%	22,220
Sport and recreation		20,402	308	–	258	(13,337)	(3,010)	(10,327)	343%	(26,674)
Public safety		1,700	(1,064)	–	(822)	(23,297)	(379)	(22,918)	6042%	(46,594)
Housing		750,751	1,159,477	–	22,972	48,727	425,327	(376,600)	-89%	97,454
Health		198,876	131,817	–	(1,565)	71,105	97,964	(26,859)	-27%	142,210
Economic and environmental services		**786,339**	**1,227,874**	**–**	**88,930**	**337,953**	**528,360**	**(190,407)**	**-36%**	**675,905**
Planning and development		53,974	86,777	–	7,077	34,944	53,344	(18,400)	-34%	69,888
Road transport		732,335	1,140,967	–	81,852	303,004	474,944	(171,940)	-36%	606,008
Environmental protection		30	131	–	1	5	72	(67)	-93%	10
Trading services		**23,633,176**	**23,475,584**	**–**	**2,474,149**	**13,030,053**	**12,869,269**	**160,784**	**1%**	**26,060,107**
Electricity		14,218,872	14,132,644	–	1,271,054	8,121,578	7,786,568	335,010	4%	16,243,155
Water		5,744,938	6,031,619	–	720,630	2,899,757	3,184,203	(284,446)	-9%	5,799,515
Waste water management		1,620,862	1,454,512	–	209,080	933,102	839,662	93,440	11%	1,866,204
Waste management		2,048,504	1,856,809	–	273,384	1,075,616	1,058,837	16,779	2%	2,151,233
Other	4	**256,021**	**324,346**	**–**	**15,862**	**135,670**	**162,196**	**(26,526)**	**-16%**	**271,341**
Total Revenue - Standard	2	**33,464,396**	**34,598,563**	**–**	**3,856,125**	**18,038,579**	**18,462,480**	**(423,900)**	**-2%**	**36,077,159**
Expenditure - Standard										
Governance and administration		**3,464,293**	**3,283,531**	**–**	**317,080**	**983,805**	**1,772,375**	**(788,570)**	**-44%**	**1,967,610**
Executive and council		680,134	877,840	–	66,066	352,330	438,888	(86,558)	-20%	704,661
Budget and treasury office		2,393,943	2,007,756	–	224,552	715,710	1,186,176	(470,466)	-40%	1,431,420
Corporate services		390,217	397,935	–	26,462	(84,236)	147,311	(231,546)	-157%	(168,471)
Community and public safety		**3,578,013**	**3,947,173**	**–**	**191,766**	**1,277,053**	**1,245,728**	**31,325**	**3%**	**2,554,107**
Community and social services		451,035	478,726	–	38,973	433,372	234,188	199,184	85%	866,744
Sport and recreation		837,503	873,206	–	–	–	–	–		–
Public safety		374,758	407,104	–	30,103	179,733	196,172	(16,439)	-8%	359,465
Housing		629,163	755,628	–	–	–	–	–		–
Health		1,285,555	1,432,509	–	122,690	663,949	815,369	(151,420)	-19%	1,327,898
Economic and environmental services		**3,726,892**	**4,271,926**	**–**	**192,933**	**1,117,908**	**996,686**	**121,221**	**12%**	**2,235,816**
Planning and development		511,057	549,924	–	40,281	290,471	295,804	(5,333)	-2%	580,943
Road transport		3,119,778	3,636,417	–	144,071	781,897	655,358	126,538	19%	1,563,793
Environmental protection		96,057	85,585	–	8,580	45,540	45,524	16	0%	91,079
Trading services		**20,454,341**	**21,033,325**	**–**	**874,133**	**6,497,793**	**6,648,204**	**(150,412)**	**-2%**	**12,995,585**
Electricity		12,942,887	13,236,024	–	874,133	6,497,793	6,648,204	(150,412)	-2%	12,995,585
Water		5,177,033	5,102,653	–	–	–	–	–		–
Waste water management		677,316	1,289,955	–	–	–	–	–		–
Waste management		1,657,105	1,404,693	–	–	–	–	–		–
Other		**205,511**	**237,140**	**–**	**22,115**	**129,269**	**129,022**	**247**	**0%**	**258,538**
Total Expenditure - Standard	3	**31,429,050**	**32,773,095**	**–**	**1,598,027**	**10,005,827**	**10,792,016**	**(786,188)**	**-7%**	**20,011,655**
Surplus/ (Deficit) for the year		**2,035,346**	**1,825,468**	**–**	**2,258,097**	**8,032,752**	**7,670,464**	**362,288**	**5%**	**16,065,504**

EKU Ekurhuleni Metro - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2016/17	budget year 2017/18							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Corporate Services		7,785,110	8,245,684	–	1,254,426	4,440,593	4,369,782	70,811	1.6%	8,881,187
Vote 3 - Energy		14,049,528	13,967,455	–	1,270,314	8,006,821	7,672,342	334,479	4.4%	16,013,642
Vote 4 - Water and Sanitation		7,365,800	7,486,131	–	929,711	3,832,859	4,023,865	(191,005)	-4.7%	7,665,719
Vote 5 - Waste Management		2,048,504	1,856,809	–	273,384	1,075,616	1,058,837	16,779	1.6%	2,151,233
Vote 6 - Human Settlements		750,751	1,159,477	–	22,972	48,727	425,327	(376,600)	-88.5%	97,454
Vote 7 - City Planning		31,776	42,059	–	2,286	16,836	21,035	(4,198)	-20.0%	33,673
Vote 8 - Economic Development		36,409	67,578	–	5,398	28,644	43,747	(15,103)	-34.5%	57,287
Vote 9 - Disaster and Emergency Management Services		175,813	161,319	–	(1,835)	73,489	113,995	(40,505)	-35.5%	146,979
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)		25,955	1,215	–	754	(4,647)	2,567	(7,215)	-281.0%	(9,295)
Vote 11 - Health and Social Development		194,109	134,636	–	188	89,075	97,821	(8,746)	-8.9%	178,151
Vote 12 - Environmental Resource Management		26,497	33,760	–	1,419	2,425	7,466	(5,041)	-67.5%	4,850
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD		105,710	155,149	–	8,862	62,920	77,597	(14,678)	-18.9%	125,840
Vote 14 - Transport Planning & Provisioning		710,441	1,126,625	–	65,714	303,465	471,220	(167,756)	-35.6%	606,929
Vote 15 - Roads and Stormwater		157,995	160,666	–	22,532	61,755	76,878	(15,123)	-19.7%	123,511
Total Revenue by Vote	2	**33,464,396**	**34,598,563**	**–**	**3,856,125**	**18,038,579**	**18,462,480**	**(423,900)**	**-2.3%**	**36,077,159**
Expenditure by Vote	1									
Vote 1 - Executive and Council		348,274	525,111	–	38,461	193,946	263,080	(69,134)	-26.3%	387,891
Vote 2 - Finance and Corporate Services		3,134,691	2,780,469	–	269,160	732,939	1,447,736	(714,796)	-49.4%	1,465,879
Vote 3 - Energy		12,909,392	13,205,934	–	875,322	6,501,942	6,660,475	(158,533)	-2.4%	13,003,884
Vote 4 - Water and Sanitation		5,839,249	6,373,748	–	493,278	3,098,673	2,883,667	215,006	7.5%	6,197,346
Vote 5 - Waste Management		1,657,105	1,404,693	–	116,318	608,132	730,404	(122,272)	-16.7%	1,216,264
Vote 6 - Human Settlements		629,171	755,638	–	48,749	205,749	365,614	(159,865)	-43.7%	411,498
Vote 7 - City Planning		242,865	307,143	–	20,287	166,482	153,963	12,518	8.1%	332,964
Vote 8 - Economic Development		272,905	246,196	–	20,961	128,536	142,959	(14,423)	-10.1%	257,072
Vote 9 - Disaster and Emergency Management Services		850,905	860,368	–	67,398	403,590	398,414	5,176	1.3%	807,181
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)		657,686	657,375	–	54,612	323,982	340,706	(16,724)	-4.9%	647,964
Vote 11 - Health and Social Development		842,672	1,009,092	–	77,971	473,313	499,607	(26,294)	-5.3%	946,627
Vote 12 - Environmental Resource Management		726,478	779,452	–	69,966	551,951	375,210	176,741	47.1%	1,103,903
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD		1,377,060	1,474,900	–	144,096	782,044	655,480	126,564	19.3%	1,564,088
Vote 14 - Transport Planning & Provisioning		394,808	608,606	–	56,980	228,967	279,777	(50,810)	-18.2%	457,934
Vote 15 - Roads and Stormwater		1,545,789	1,784,369	–	177,829	987,501	877,288	110,213	12.6%	1,975,002
Total Expenditure by Vote	2	**31,429,050**	**32,773,095**	**–**	**2,531,386**	**15,387,748**	**16,074,381**	**(686,633)**	**-4.3%**	**30,775,497**
Surplus/ (Deficit) for the year	2	**2,035,346**	**1,825,468**	**–**	**1,324,739**	**2,650,831**	**2,388,098**	**262,733**	**11.0%**	**5,301,662**

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

EKU Ekurhuleni Metro - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2016/17	Budget year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		4,614,379	5,088,330	–	478,358	2,672,816	2,533,132	139,684	6%	5,345,633
Property rates - penalties & collection charges		13,313,384	13,027,720	–	1,043,136	7,309,300	7,062,141	247,159	3%	14,618,600
Service charges - electricity revenue		3,971,981	4,087,720	–	339,001	1,867,566	2,028,152	(160,586)	-8%	3,735,131
Service charges - water revenue		1,617,763	1,355,300	–	95,664	604,905	671,800	(66,895)	-10%	1,209,811
Service charges - sanitation revenue		1,483,158	1,214,668	–	94,291	612,787	615,431	(2,644)	0%	1,225,574
Service charges - refuse revenue		63,933	122,479	–	4,009	35,651	61,239	(25,588)	-42%	71,302
Service charges - other		67,018	112,682	–	4,299	30,611	37,110	(6,499)	-18%	61,223
Rental of facilities and equipment		626,606	400,107	–	28,622	135,150	197,451	(62,301)	-32%	270,300
Interest earned - external investments		304,694	468,562	–	21,644	125,872	238,985	(113,112)	-47%	251,744
Interest earned - outstanding debtors		–	90	–	–	–	–	–		–
Dividends received		295,242	402,592	–	23,135	151,756	200,728	(48,972)	-24%	303,512
Fines		50,487	51,456	–	3,199	21,967	24,544	(2,576)	-10%	43,934
Licences and permits		281,980	319,873	–	18,036	145,512	159,937	(14,424)	-9%	291,025
Agency services		3,373,329	5,406,054	–	1,541,731	3,704,122	3,725,423	(21,301)	-1%	7,408,244
Transfers recognised - operational		1,738,579	232,263	–	(1,338)	68,091	45,929	22,162	48%	136,182
Other revenue		–	5,000	–	–	–	2,500	(2,500)	-100%	–
Gains on disposal of PPE		31,802,534	32,294,898	–	3,693,786	17,486,108	17,604,501	(118,393)	-1%	34,972,215
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type		6,223,885	7,466,601	–	646,636	3,606,486	3,824,508	(218,022)	(0)	7,212,972
Employee related costs		119,944	139,604	–	10,191	60,958	65,158	(4,200)	-6%	121,916
Remuneration of councillors		1,468,871	1,548,356	–	128,412	770,475	770,475	0	0%	1,540,949
Debt impairment		1,851,172	2,076,026	–	167,684	1,006,116	1,000,900	5,216	1%	2,012,232
Depreciation & asset impairment		579,851	801,361	–	12,763	233,541	368,361	(134,821)	-37%	467,081
Finance charges		12,406,499	12,934,839	–	903,502	6,722,064	6,706,473	15,591	0%	13,444,128
Bulk purchases		2,482,953	3,519,639	–	254,322	1,306,369	1,348,695	(42,326)	-3%	2,612,738
Other materials		1,050,815	1,226,711	–	142,723	533,195	618,627	(85,432)	-14%	1,066,390
Contracted services		2,057,179	1,117,152	–	150,693	558,588	500,231	58,357	12%	1,117,176
Transfers and grants		3,187,881	1,927,805	–	113,937	588,924	859,502	(270,577)	-31%	1,177,849
Other expenditure		–	15,000	–	522	1,033	11,453	(10,420)	-91%	2,066
Loss on disposal of PPE		31,429,050	32,773,095	–	2,531,386	15,387,748	16,074,381	(686,633)	-4%	30,775,497
Total Expenditure										
		373,484	(478,196)	–	1,162,401	2,098,359	1,530,119	568,240	0	4,196,718
Surplus/(Deficit)		**1,661,862**	**2,303,664**	**–**	**162,338**	**552,472**	**857,979**	**(305,507)**	**(0)**	**1,104,944**
Transfers recognised - capital								–		
Contributions recognised - capital								–		
Contributed assets		2,035,346	1,825,468	–	1,324,739	2,650,831	2,388,098			5,301,662
Surplus/(Deficit) after capital transfers &								–		
Taxation		2,035,346	1,825,468	–	1,324,739	2,650,831	2,388,098			5,301,662
Surplus/(Deficit) after taxation										
Attributable to minorities		2,035,346	1,825,468	–	1,324,739	2,650,831	2,388,098			5,301,662
Surplus/(Deficit) attributable to municipality										
Share of surplus/ (deficit) of associate		2,035,346	1,825,468	–	1,324,739	2,650,831	2,388,098			5,301,662
Surplus/ (Deficit) for the year										

EKU Ekurhuleni Metro - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December										
Vote Description	Ref	2016/17	Budget year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Corporate Services		792,849	1,393,917	–	47,434	193,338	696,958	(503,620)	-72%	1,393,917
Vote 3 - Energy		566,323	680,000	–	47,133	312,671	340,000	(27,329)	-8%	680,000
Vote 4 - Water and Sanitation		612,241	541,300	–	41,366	111,307	270,650	(159,343)	-59%	541,300
Vote 5 - Waste Management		78,575	120,950	–	685	7,289	60,475	(53,186)	-88%	120,950
Vote 6 - Human Settlements		673,530	991,156	–	50,459	148,927	495,578	(346,651)	-70%	991,156
Vote 7 - City Planning		–	–	–	–	–	–	–		–
Vote 8 - Economic Development		134,352	137,000	–	9,451	32,644	68,500	(35,856)	-52%	137,000
Vote 9 - Disaster and Emergency Management Services		104,387	101,400	–	9,864	37,876	50,700	(12,824)	-25%	101,400
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)		98,300	90,000	–	7,870	17,773	45,000	(27,227)	-61%	90,000
Vote 11 - Health and Social Development		56,012	58,500	–	5,327	30,601	29,250	1,351	5%	58,500
Vote 12 - Environmental Resource Management		52,732	29,500	–	4,960	13,337	14,750	(1,413)	-10%	29,500
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)		50,065	66,500	–	4,017	26,452	33,250	(6,798)	-20%	66,500
Vote 14 - Transport Planning & Provisioning		676,456	811,718	–	48,665	169,817	405,859	(236,042)	-58%	811,718
Vote 15 - Roads and Stormwater		587,991	667,600	–	75,775	190,716	333,800	(143,084)	-43%	667,600
Total Capital Multi-year expenditure	4,7	**4,483,813**	**5,689,541**	**–**	**353,006**	**1,292,749**	**2,844,771**	**(1,552,022)**	**-55%**	**5,689,541**
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		20,900	16,375	–	452	682	8,187	(7,506)	-92%	16,375
Vote 2 - Finance and Corporate Services		55,888	89,451	–	7,772	20,665	44,726	(24,061)	-54%	89,451
Vote 3 - Energy		50,065	37,700	–	3,619	15,609	18,850	(3,241)	-17%	37,700
Vote 4 - Water and Sanitation		160,599	58,000	–	2,777	6,659	29,000	(22,341)	-77%	58,000
Vote 5 - Waste Management		41,325	45,500	–	8,381	15,267	22,750	(7,483)	-33%	45,500
Vote 6 - Human Settlements		88,377	10,370	–	449	2,192	5,185	(2,993)	-58%	10,370
Vote 7 - City Planning		3,895	2,900	–	–	38	1,450	(1,412)	-97%	2,900
Vote 8 - Economic Development		31,398	8,100	–	220	1,551	4,050	(2,499)	-62%	8,100
Vote 9 - Disaster and Emergency Management Services		83,857	110,370	–	33,003	38,134	55,185	(17,051)	-31%	110,370
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)		20,615	42,900	–	3,895	16,480	21,450	(4,970)	-23%	42,900
Vote 11 - Health and Social Development		22,470	32,650	–	1,324	12,454	16,325	(3,871)	-24%	32,650
Vote 12 - Environmental Resource Management		82,376	137,500	–	20,404	64,415	68,750	(4,335)	-6%	137,500
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)		52,725	82,500	–	17,008	29,769	41,250	(11,481)	-28%	82,500
Vote 14 - Transport Planning & Provisioning		6,080	19,300	–	467	2,811	9,650	(6,839)	-71%	19,300
Vote 15 - Roads and Stormwater		25,365	16,200	–	103	11,022	8,100	2,922	36%	16,200
Total Capital single-year expenditure	4	745,933	709,816	–	99,871	237,747	354,908	**(117,160)**	**-33%**	709,816
Total Capital Expenditure		**5,229,747**	**6,399,357**	**–**	**452,878**	**1,530,496**	**3,199,678**	**(1,669,182)**	**-52%**	**6,399,357**

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY (CoE)
ORDINARY COUNCIL MEETING

2018.01.25

A-F (05-2018)

EKU Ekurhuleni Metro - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	Ref	2016/17	Budget year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Standard Classification										
Governance and administration		1,030,234	1,499,742	–	55,658	214,685	749,871	(535,187)	-71%	1,499,742
Executive and council		423,907	679,595	–	33,721	98,161	339,797,250.00	(241,636)	-71%	679,595
Budget and treasury office		606,328	819,708	–	21,937	116,523	409,854	(293,331)	-72%	819,708
Corporate services		–	440	–	–	–	220	(220)	-100%	440
Community and public safety		1,374,094	1,742,146	–	158,191	436,442	871,073	(434,631)	-50%	1,742,146
Community and social services		179,236	207,700	–	28,937	85,745	103,850	(18,105)	-17%	207,700
Sport and recreation		63,435	81,000	–	7,803	24,291	40,500	(16,209)	-40%	81,000
Public safety		291,034	360,770	–	63,891	132,231	180,385	(48,154)	-27%	360,770
Housing		761,907	1,001,526	–	50,908	151,118	500,763	(349,645)	-70%	1,001,526
Health		78,483	91,150	–	6,652	43,056	45,575	(2,519)	-6%	91,150
Economic and environmental services		1,446,490	1,638,018	–	133,834	404,126	819,009	(414,883)	-51%	1,638,018
Planning and development		139,245	112,000	–	8,437	27,791	56,000	(28,209)	-50%	112,000
Road transport		1,295,892	1,514,818	–	125,009	374,365	757,409	(383,044)	-51%	1,514,818
Environmental protection		11,353	11,200	–	388	1,969	5,600	(3,631)	-65%	11,200
Trading services		1,348,528	1,792,709	–	103,960	468,802	896,355	(427,552)	-48%	1,792,709
Electricity		616,388	717,700	–	50,752	328,280	358,850	(30,570)	-9%	717,700
Water		205,348	356,400	–	35,118	94,349	178,200	(83,851)	-47%	356,400
Waste water management		406,893	552,159	–	9,024	23,617	276,080	(252,462)	-91%	552,159
Waste management		119,900	166,450	–	9,065	22,556	83,225	(60,669)	-73%	166,450
Other		30,400	43,340	–	1,234	6,442	21,670	(15,228)	-70%	43,340
Total Capital Expenditure - Standard Classification	3	**5,229,747**	**6,715,956**	**–**	**452,878**	**1,530,496**	**3,357,978**	**(1,827,482)**	**-54%**	**6,715,956**
Funded by:		1,816,827	2,294,664	–	161,945	552,078	1,147,332	(595,254)	-52%	2,294,664
National Government		30,859	15,000	–	394	394	7,500	(7,106)	-95%	15,000
Provincial Government								–		
District Municipality			50,000	–	–	–	25,000	(25,000)	-100%	50,000
Other transfers and grants		**1,847,686**	**2,359,664**	**–**	**162,338**	**552,472**	**1,179,832**	**(627,360)**	**-53%**	**2,359,664**
Transfers recognised - capital								–		
Borrowing	6	1,616,684	921,783	–	96,895	263,851	460,892	(197,041)	-43%	921,783
Internally generated funds		**5,229,747**	**6,715,956**	**–**	**452,878**	**1,530,496**	**3,357,978**	**(1,827,482)**	**-54%**	**6,715,956**
Total Capital Funding										

EKU Ekurhuleni Metro - Table C6 Monthly Budget Statement - Financial Position - M06 December							
Description	**Ref**	**2016/17**	**Budget year 2017/18**			
		Audited Outcome	**Original Budget**	**Adjusted Budget**	**YearTD actual**	**Full Year Forecast**
R thousands	1					
ASSETS						
Current assets						
Cash		8,151,451	9,152,323	8,288,845	6,397,976	6,939,379
Call investment deposits		155,645	170,903	143,070	141,801	143,070
Consumer debtors		5,271,488	4,460,148	4,455,686	7,894,938	4,455,686
Other debtors		1,022,500	584,618	486,351	2,128,299	486,351
Inventory		355,033	157,160	157,160	721,682	157,160
Total current assets		**14,956,537**	**14,525,152**	**13,531,111**	**17,285,116**	**12,181,645**
Non current assets						
Long-term receivables		9,714	32,063	4,974	3,150	4,974
Investments		1,095,831	1,069,033	1,069,033	601,581	2,418,499
Investment property		743,914	226,153	174,321	794,952	174,321
Property, plant and equipment		48,039,286	49,789,088	48,406,883	51,768,386	48,406,883
Intangible assets		290,530	145,730	130,260	413,406	130,260
Other non-current assets		59,454	41,169	36,194	62,517	36,194
Total non current assets		**50,238,728**	**51,303,237**	**49,821,666**	**53,643,992**	**51,171,132**
TOTAL ASSETS		**65,195,264**	**65,828,388**	**63,352,777**	**70,929,108**	**63,352,777**
LIABILITIES						
Current liabilities						
Borrowing		441,162	454,148	381,507	454,211	381,507
Consumer deposits		755,106	665,761	661,051	827,915	661,051
Trade and other payables		7,114,855	4,959,367	6,853,108	7,439,489	6,853,108
Provisions		454,954	454,800	411,781	574,853	411,781
Total current liabilities		**8,766,077**	**6,534,076**	**8,307,447**	**9,296,468**	**8,307,447**
Non current liabilities						
Borrowing		5,595,624	6,149,850	5,770,257	6,470,388	5,770,257
Provisions		3,516,033	3,077,312	3,030,336	3,052,398	3,030,336
Total non current liabilities		**9,111,658**	**9,227,161**	**8,800,593**	**9,522,786**	**8,800,593**
TOTAL LIABILITIES		**17,877,735**	**15,761,238**	**17,108,040**	**18,819,254**	**17,108,040**
NET ASSETS	2	**47,317,530**	**50,067,151**	**46,244,736**	**52,109,854**	**46,244,736**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		47,317,530	50,067,151	46,244,736	52,109,854	46,244,736
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	**47,317,530**	**50,067,151**	**46,244,736**	**52,109,854**	**46,244,736**

EKU Ekurhuleni Metro - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
		2016/17	Budget year 2017/18							
Description	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts		3,920,336	4,459,590	4,459,590	483,019	1,846,744	2,014,131	(167,386)	()	4,833,913
Property rates, penalties & collection charges		15,102,231	19,529,590	19,529,590	1,691,130	7,263,250	7,080,469	182,781	3%	16,993,125
Service charges		663,119	2,425,384	2,410,504	156,553	516,410	1,653,550	(1,137,140)	-69%	3,968,520
Other revenue		4,372,142	3,502,418	3,513,278	136,944	2,638,397	2,252,523	385,875	17%	5,406,054
Government - operating		2,146,788	1,876,755	1,797,686	133,312	1,099,873	959,860	140,013	15%	2,303,664
Interest							38	(38)	-100%	90
Dividends										
Payments		(20,581,385)	(25,154,308)	(24,948,921)	(2,227,265)	(12,859,958)	(11,060,850)	1,799,108	-16%	(26,546,041)
Suppliers and employees		(600,935)	(662,383)	(663,333)	(76,856)	(271,206)	(333,900)	(62,695)	19%	(801,361)
Finance charges		(1,096,477)	(1,941,318)	(2,125,735)	(110,220)	(408,004)	(465,480)	(57,476)	12%	(1,117,152)
Transfers and Grants		4,895,926	4,702,372	4,639,302	247,319	41,064	2,462,285	2,421,221	98%	5,909,484
NET CASH FROM/(USED) OPERATING ACTIVITIES										
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts					(105)	(321)	–	(321)	#DIV/0!	–
Proceeds on disposal of PPE		(1,914)				–	–	–		–
Decrease (Increase) in non-current debtors		3,797			(4)	(6)	–	(6)	#DIV/0!	–
Decrease (increase) other non-current receivables		(245,277)	287,437	287,437	(14,817)	720,420	(100,957)	821,377	-814%	(242,297)
Decrease (increase) in non-current investments										
Payments		(4,056,876)	(4,805,541)	(4,776,369)	(295,663)	(1,079,294)	(2,798,315)	(1,719,021)	0	(6,715,956)
Capital assets		(4,300,270)	(4,518,103)	(4,488,932)	(310,590)	(359,200)	(2,899,272)	(2,540,072)	88%	(6,958,253)
NET CASH FROM/(USED) INVESTING ACTIVITIES										
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts						–	–	–		–
Short term loans			1,790,950	1,800,763	(27,696)	1,241,472	1,352,261	(110,789)	-8%	3,245,427
Borrowing long term/refinancing		37,966	17,842	17,842	3,694	16,365	20,960	(4,595)	-22%	50,304
Increase (decrease) in consumer deposits										
Payments		(344,746)	(381,507)	(381,507)	–	–	(178,334)	(178,334)	100%	(428,003)
Repayment of borrowing		(306,781)	1,427,285	1,437,098	(24,002)	1,257,837	1,194,887	(62,950)	-5%	2,867,728
NET CASH FROM/(USED) FINANCING ACTIVITIES										
		288,876	1,611,554	1,587,469	(87,273)	939,701	757,900			1,818,959
NET INCREASE/ (DECREASE) IN CASH HELD		**7,720,403**	**7,701,376**	**6,701,376**		**6,649,617**	**6,701,376**			**6,649,617**
Cash/cash equivalents at beginning:		8,009,279	9,312,930	8,288,845		7,589,318	7,459,276			8,468,576
Cash/cash equivalents at month/year end:										

Other supporting documents

In terms of Council's Unauthorised, Fruitless, Wasteful and Irregular Expenditure policy, all known instances of Fruitless, Wasteful and Irregular Expenditure are reported to Council on a quarterly basis as part of the SDBIP report.

Cases of Unauthorised, Fruitless, Wasteful and Irregular Expenditure in the total amount of R64 417 084.40 have been reported to Internal Audit Department for the 2nd Quarter ended 31 December 2017 for investigation and the outcomes of the investigations will be reported upon finalization of each individual case.

Key Financial Ratio's

As part of the requirements of the Municipal Budget and Reporting Regulations Council must complete schedule SC2 (Monthly Budget Statement Performance Indicators) and submit to National Treasury.

The following is an extract from the mentioned schedule indicating all the financial ratios as required by National Treasury.

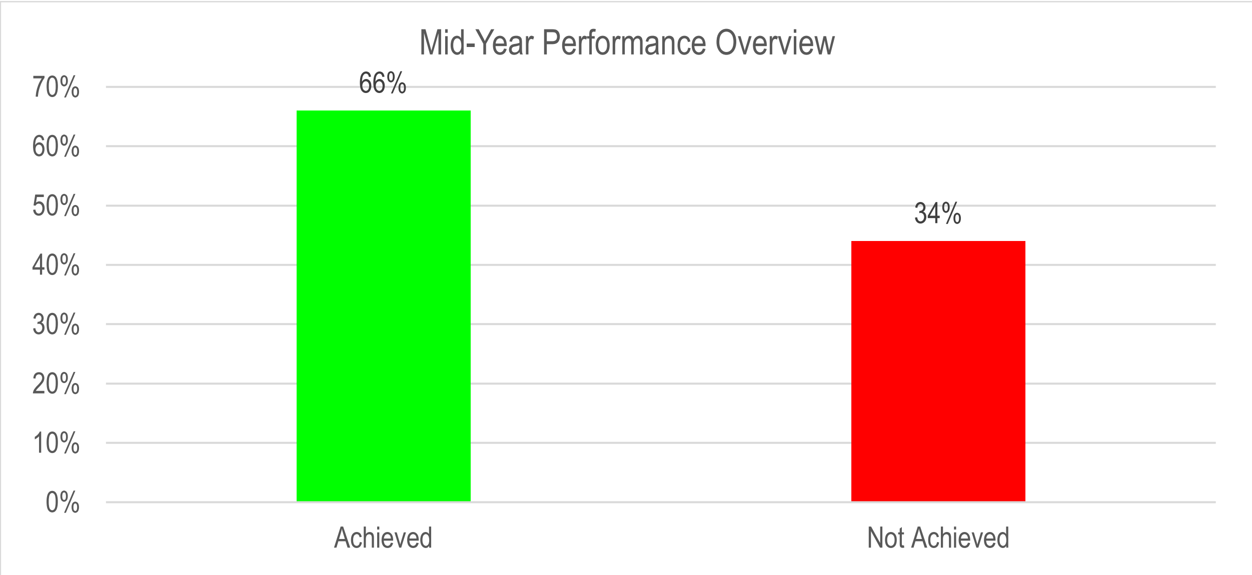
EKU Ekurhuleni Metro - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	Ref	2016/17	Budget year 2017/18			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.7%	8.8%	0.0%	1.5%	1.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		33.8%	51.1%	0.0%	46.7%	51.1%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		27.8%	23.1%	28.1%	27.6%	28.1%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	170.6%	222.3%	162.9%	185.9%	146.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		94.8%	142.7%	101.5%	70.3%	85.3%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		19.8%	15.7%	0.0%	57.3%	14.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Employee costs	Employee costs/Total Revenue - capital revenue		19.6%	23.1%	0.0%	20.6%	20.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		7.6%	8.9%	0.0%	1.3%	1.7%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
EKU Ekurhuleni Metro - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January							
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

SUMMARY OF THE UNAUDITED MID-YEAR SDBIP REPORT: MID-YEAR OF THE 2017/2018 FINANCIAL YEAR

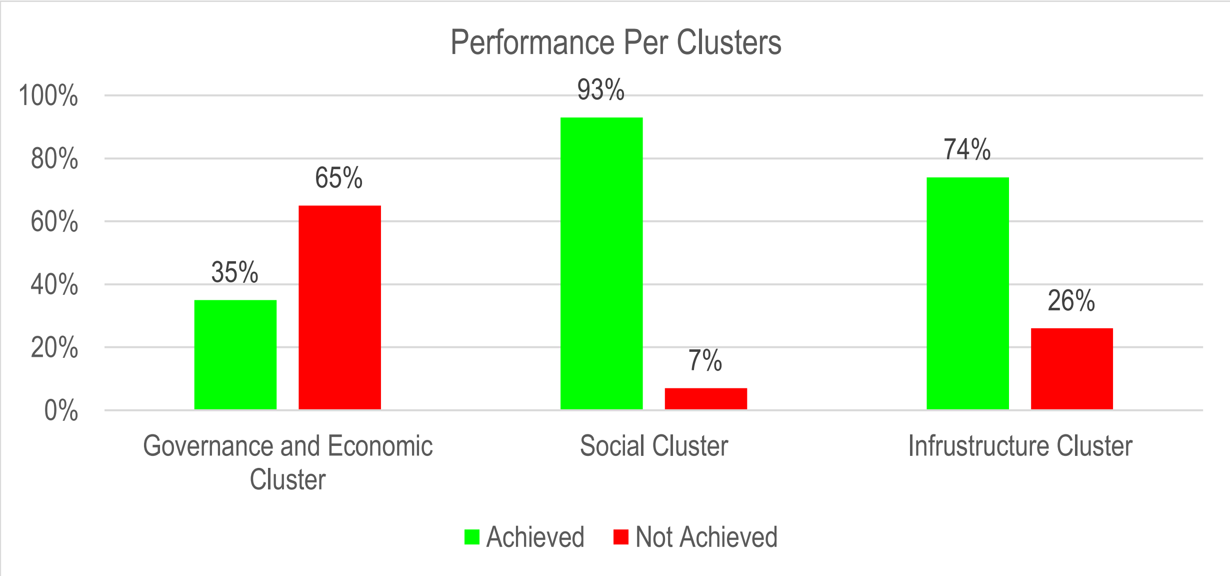
SUMMARY OF THE MID-YEAR NON-FINANCIAL PERFORMANCE INFORMATION (CITY WIDE)

FIGURE 1: CITY-WIDE 2017/2018 MID-YEAR PERFORMANCE



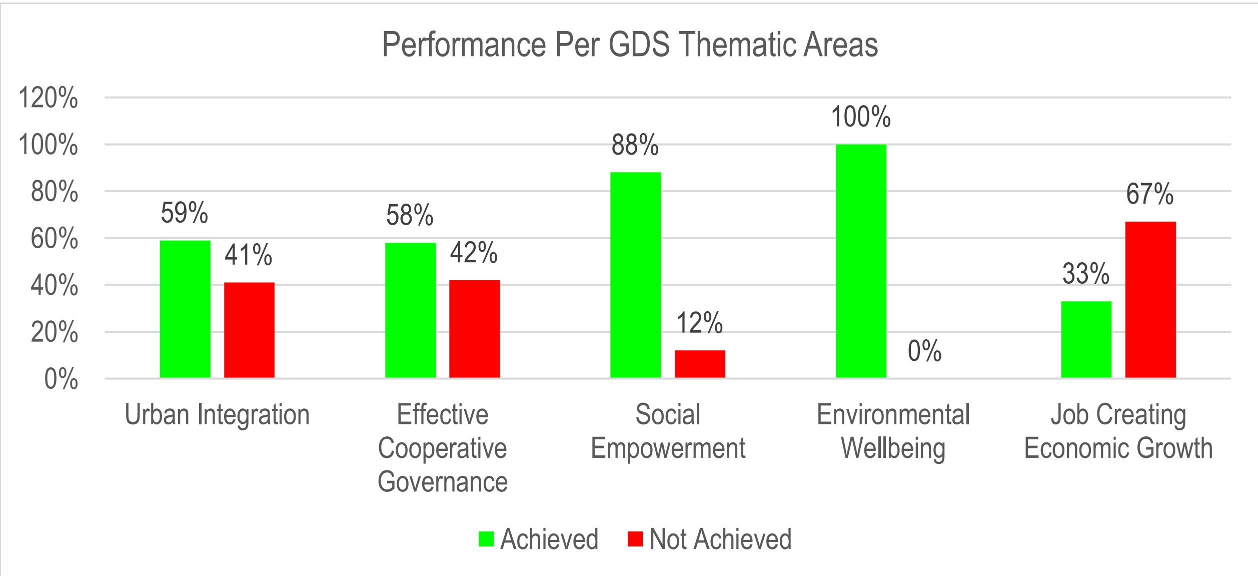
The City committed to a total of 64 targets in the mid-year period of the 2017/18 financial year. Against these commitments, 42 (66%) targets were achieved and 22 (34%) were not achieved. Of the 22 targets recorded as not achieved, 20 recorded partial achievement and 2 recorded no performance at all. The departments that recorded non-performance on some of their targets included ICT (number of new Wi-Fi hotspots/nodes provided with Wi-Fi) as well as Energy (number of high mast lights installed).

FIGURE 2: CITY-WIDE 2017/18 MID-YEAR PERFORMANCE PER CLUSTER



As indicated in Figure 1, the overall target achievement against the targets set for the mid-year of the 2017/18 financial year is 66%. The Social Cluster recorded the highest performance of 93% target achievement followed by the Infrastructure Cluster which recorded 74% target achievment. The Governance and Economic Cluster recorded the lowest performance of 35% target achivement.

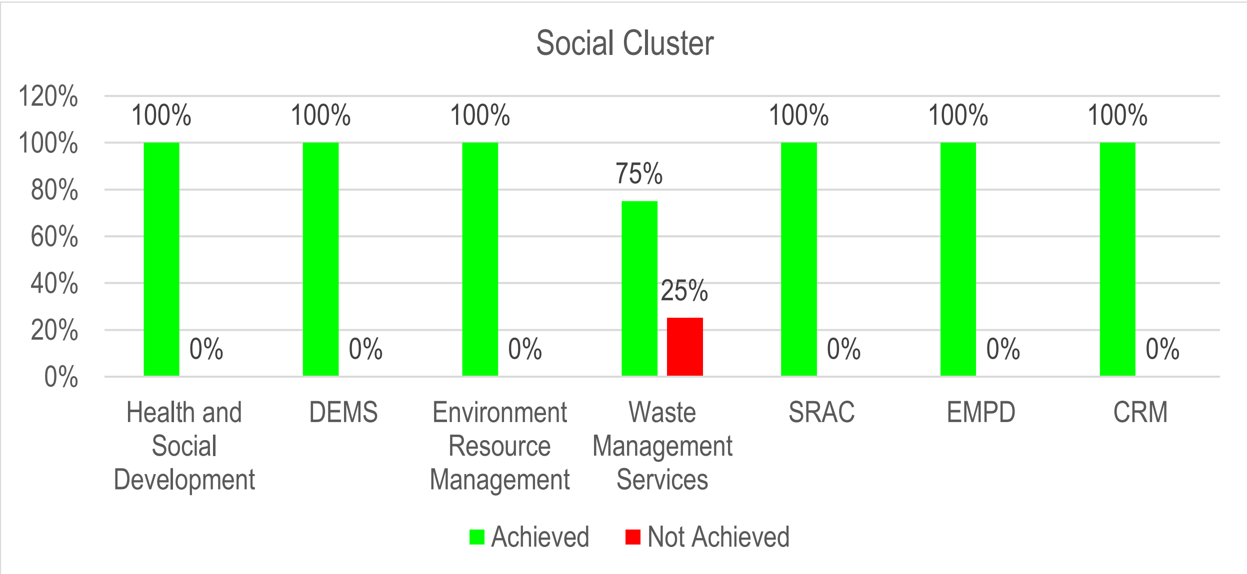
FIGURE 3: CITY-WIDE MID-YEAR PERFORMANCE BY GDS THEMATIC AREAS



Performance against the Thematic Areas of the Growth and Development Strategy (GDS) is summarised as follows:

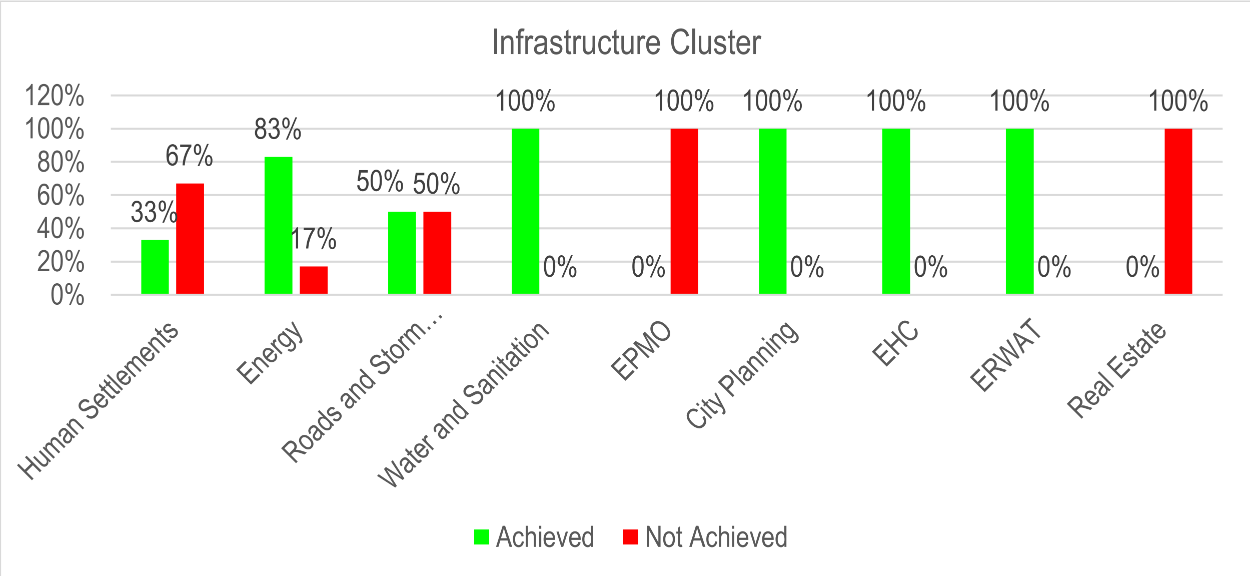
- Aligned to the Sustainable Urban Integration GDS Thematic Area, a total of 27 targets were planned. Of the 27 targets, 16 (59%) were achieved and 11 (41%) were not achieved.
- Three targets were planned to be delivered over the period under review in the Job Creation Economic Growth GDS Thematic Area and 1 (33%) target was achieved.
- Seven targets were planned to be delivered on the Environmental Wellbeing GDS Thematic Area and all the targets were achieved.
- A total of eight targets were planned for the Social Empowerment GDS Thematic Area, of which 7 (88%) were achieved and 1 (12%) was not achieved.
- A total of nineteen targets were planned for the Effective Cooperative Governance GDS Thematic Area. Of these 19 targets, 11 (58%) were achieved and 8 (42%) were not achieved.

FIGURE 4: CITY-WIDE MID-YEAR PERFORMANCE ACROSS SOCIAL CLUSTER



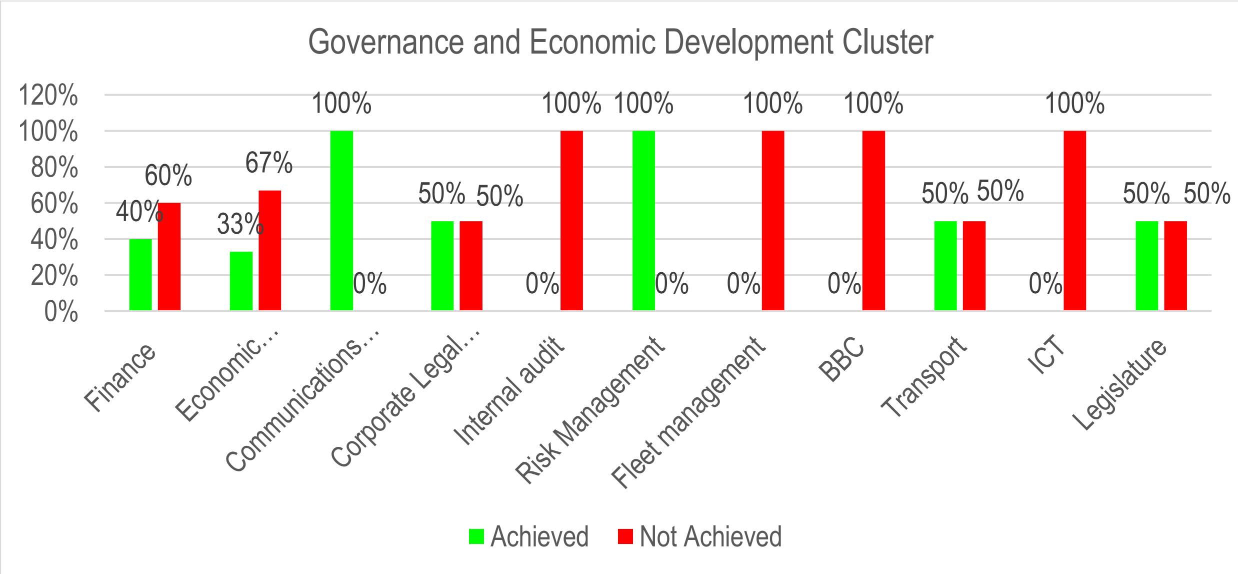
Social Cluster – the cluster committed to a total of fifteen targets and of the 15 targets, 14 (93%) targets were achieved and 1 (7%) targets was not achieved. A total of six departments (Health and Social Development, Environmental Management Services, SRAC, EMPD, DEMS and CRM) in this cluster achieved 100% of their planned targets for the period under review, followed by department of Waste Management Services which achieved 75% of its targets.

FIGURE 5: CITY-WIDE MID-YEAR PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



Infrastructure Cluster – the cluster committed to a total of twenty-seven targets and of the 27 targets committed to, 20 (74%) were achieved and 7 (26%) were not achieved. A total of four departments (Water and Sanitation, City Planning, EHC and ERWAT achieved 100% of their planned targets. This is followed Energy at 83%, Roads and Stormwater at 50%, Human Settlements at 33%, while EPMO and Real Estate did not achieve their set targets.

FIGURE 6: CITY-WIDE MID-YEAR PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER



Governance and Economic Development Cluster – In the period under review, the cluster's performance was measured against twenty targets planned for delivery. A total of 7 (35%) targets were achieved and 13 (65%) were not achieved. A total of two departments (Communications and Brand Management and Risk Management) achieved 100% of their set targets. This is followed by 3 departments (Corporate Legal Services, Transport and Legislature) achieved 50% of their set targets, while Finance and Economic Development achieved 40% and 30% respectively. It is also important to note that a total of 4 Departments (Internal Audit, Fleet Management, BBC and ICT) did not achieve their set targets.

HIGHLIGHTS FOR MID-YEAR

The City continued to express its commitment to the pro-poor agenda by broadening its reach through its service delivery to all informal settlements. The focus was on the improvement of quality, predictability and constancy of services. The gravelling and upgrading of roads in the informal settlements, electrification of informal settlements, promoting predictability of service provision in informal settlements and maintenance of service levels in the affluent areas as well as increase in approval of indigent households are some of the key service delivery highlights that the City prides itself for.

1. SUSTAINABLE URBAN INTEGRATION

In its efforts to re-urbanise the City, the City of Ekurhuleni (CoE) focused on improvising service delivery across all areas of service delivery. The results of these efforts included:

- Significant strides in the connection of households to water and sewer services. In this regard, a total of 1 012 additional households were provided with water and sewer connections against a planned target of 300.
- The City continued to maintain the Blue Drop status above 95% for the period under review. This is indicative of City's positive efforts in promoting the quality of drinking water within the region.
- The City focused on the maintenance of road and Stormwater infrastructure network. In this regard, a total of 1 953.4153 km of the road network and 6 848 stormwater systems were maintained.
- In its effort to improve spatial justice and sustainable development, CoE finalised 100% development planning applications in accordance with the Approved Municipal Spatial Development Framework, the City also finalised 79% of the building plans within prescribed period.
- In its effort to increase the provision of public lighting, the City continued to install a total of 120 streets lights within the region against the planned target of 100.
- The City also focused on increasing access to electricity, in this regard a total of 1 807 subsidised households were electrified.

2. SOCIAL EMPOWERMENT

This thematic area aims at building a socially cohesive, healthy, active and engaged citizenry capable of working in partnership. The City embarked on a number of initiatives that yielded some commendable results. These included:

- SRAC implemented 12 school programmes (basketball development tournament, ladies football, art development, art as healing, basic computer skill, reading circle, movies programme, craft, chess, learn to swim, visual arts and craft programme) engaging children on leading active and positive lives for their own development.
- Commendable strides were made in the provision of health care services, notable achievements include Reduction of HIV transmission from Mother-To-Child to a level below 1.1 %.
- In contributing towards the attainment of the national outcome of a long and healthy life for all South Africans, the Department of Health and Social Development continues its vector control programme aimed at the eradication of rodents.

Safety and security across the City continues to be a high priority. The City focused on reducing accidents, fatalities and injuries, restore confidence, and respect for road traffic management. This was done through intensified awareness of road traffic safety issues and by-law enforcement operations thereby inculcating good road user behaviour and voluntary compliance to by-laws and traffic laws.

3. ENVIRONMENTAL WELLBEING

In this thematic area, the City focused on promoting a clean and healthy environment for the residents of the City. In this regard, the following were achieved:

- In its effort to keep a clean, green, healthy and safe environment throughout the city, CoE implemented a total of 27 multidisciplinary campaigns which include Siyaqhuba.
- The City recorded level 2 achievement on the cleanliness of Ekurhuleni Metro Central Business District (CBD) areas as determined by GDARD Waste Standards.

4. EFFECTIVE CORPORATE GOVERNANCE

- The CoE through its Risk Management Department continued to conduct insurance audits to improve effectiveness of risk financing and transfer.
- In its efforts to improve performance and accountability, the City continued to ensure the functionality of Section 79 Committee system.

ORGANISATIONAL AND HUMAN RESOURCE IMPLICATIONS

None

FINANCIAL IMPLICATIONS

The detailed financial implications have been addressed in the report.

LEGAL IMPLICATIONS

The report is compiled in accordance with the requirements of the MFMA and Municipal Budget and Reporting Regulations.

COMMUNICATION IMPLICATION

The contents of the report must be communicated to National and Provincial Treasury as well as the Auditor General. This will be done by the Finance Department.

The Marketing and Brand Management Department will ensure that the report is placed on the official website of Council.

OTHER DEPARTMENTS/ BODIES CONSULTED

- The Finance Management Team was consulted and the recommendations are supported.
- The Strategy and Corporate Planning Department was responsible for the compilation of the Performance Report.
- The Municipal Entities compiled their own Performance Reports.

RECOMMENDATION

1. **That** the report on the Unaudited Financial and Performance Results for the **second quarter of the 2017/2018** financial year as required in terms of Section 52(d) of the Municipal Finance Management Act **BE NOTED.**

2. **That**, in compliance with, Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations" the financial results regarding the operating and capital budgets for the 2nd quarter of the 2017/18 financial year, and supporting documents as required by National Treasury (Schedule C) as at 31 December 2017, **BE SUBMITTED**.

3. **That,** based of the mid-year review, an adjustment budget **BE SUBMITTED SEPARATELY** to Council for consideration of approval.

4. In order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009 thisese report **BE SUBMITTED** to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the Council, in both a Council approved document and in electronic format.